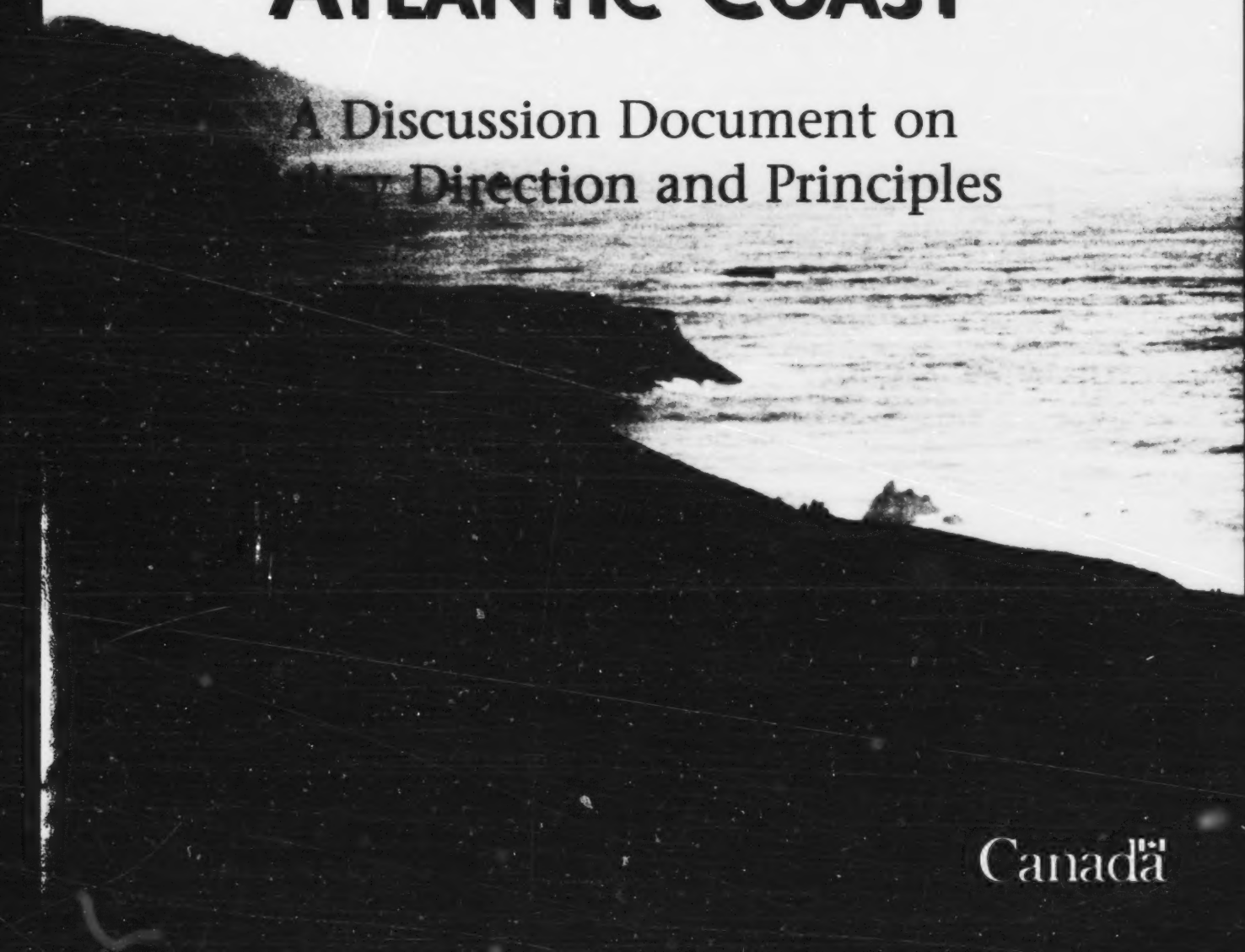
Fisheries and Oceans Canada
Pêches et Océans Canada

The Management of Fisheries on Canada's Atlantic Coast

A Discussion Document on Direction and Principles



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The Management of Fisheries on Canada's Atlantic Coast

A Discussion Document on Policy Direction and Principles

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Minister of
Fisheries and Oceans

Ministre des
Pêches et des Océans

Ottawa, Canada K1A 0E6

February 2001

To those with an interest in the Atlantic Fishery:

As many of you know, it has been about 20 years since the last comprehensive review of fisheries management policies for the Atlantic coast. Since then, these fisheries have undergone dramatic changes. It is time to modernize our management policies and to ensure that the principles that are guiding our decisions reflect today's realities.

To address the new challenges that have emerged, Fisheries and Oceans Canada (DFO) is reviewing its policies with the aim of developing a clear and consistent policy framework that will serve as the foundation for the sustainable long-term management of the East Coast fisheries. This discussion document, reviewed by industry representatives and others, outlines some broad policy objectives and principles for your consideration.

The success of this review depends on your participation and I welcome your feedback on the proposals described in this document.

Fisheries and Oceans Canada (DFO) will hold public consultations in the Atlantic Provinces, Quebec and Nunavut for you to provide your input. Following these consultations, the department will consider all feedback received and will develop a new policy framework that will define a set of objectives and principles to guide the management of Atlantic coast fisheries over the long term. The framework will also include operational plans for implementation of the new policy framework.

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Consistent with the overall direction of the policy review, an independent panel will be established as a part of the Atlantic Fisheries Policy Review (AFPR) process to focus on issues around access to increasing fish stocks. The panel's terms of reference and membership will be determined upon further consultation with my provincial colleagues. The Independent Panel on Access Criteria (IPAC) will allow for a targeted discussion on these issues and will complement the broader ideas on access as put forth in this discussion document.

AFPR is an opportunity for industry to get involved in the creation of fisheries policy in Atlantic Canada. I encourage your participation, whether it is through attendance at our public sessions, commenting to us in writing, or by e-mail. If you would like additional information, please visit our web site at www.dfo-mpo.gc.ca/afpr-rppa or call toll-free 1-866-233-6676.

Yours sincerely,

Herb Dhaliwal

The Honourable Herb Dhaliwal, P.C., M.P.

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Executive Summary

The purpose of the Atlantic Fisheries Policy Review (AFPR) is to develop a clear and consistent policy framework for the Atlantic fisheries — a vision, objectives and principles that will provide the foundation for the management of these fisheries over the long term. The Department of Fisheries and Oceans (DFO) also hopes that the management principles, strategies and processes that derive from the new policy will address many of the problems that have plagued the Atlantic fisheries over the past decade.

Reports from industry, the Auditor General and standing committees of the House of Commons and Senate, as well as public consultations, point to four main problem areas:

- Although DFO promotes a conservation-focused approach to fisheries management, the term "conservation" has yet to be adequately defined.
- The role of economic and social considerations in DFO's fisheries management decisions is unclear.
- Disputes and uncertainty over access and allocations, and disagreements about how these decisions should be made, continue to impede progress on other fisheries management issues.
- The traditional approach to fisheries management in Canada is too paternalistic. Those who exploit and benefit from the resource have little say in its management and insufficient incentive to use it sustainably.

Current fisheries management policies do not deal adequately with these problems. This paper examines the aspects of fisheries management policy and programming that relate most closely to these problems, and outlines principles that might anchor a prospective policy framework for the Atlantic fisheries.

This document is a discussion paper, not a policy framework. The directions it proposes are meant to serve as a springboard for public discussion and debate. The policy framework paper, when it is released, will have benefited from contributions by Aboriginal groups, the fishing industry, provincial governments and other stakeholders and a subsequent review by the Minister of Fisheries and Oceans and the Department.

Some of the new directions that could be examined during public consultations may be outside the current legislative mandate of the

Department. While we recognize that amending legislation may be necessary, the need to amend the law should not by itself be the reason to refrain from discussing new directions.

Context

The last comprehensive review of management policies for the Atlantic fisheries was completed 20 years ago. There is widespread recognition in government and industry that the current fisheries management policies lack clarity and coherence. There are also concerns that the policy system lacks relevance to current conditions in the fisheries.

The collapse of Atlantic groundfish stocks made clear to government and industry alike that Canada needs a more conservation-oriented approach to fisheries management. The resulting adjustment and capacity-reduction programs should engender a self-reliant and more professional harvesting industry.

Legislated land claims settlements and the courts' recognition of Aboriginal rights and treaty rights have laid the foundation for an expanding Aboriginal fishery. DFO policy must reconcile respect for Aboriginal fishing rights with the need to conserve fisheries resources and ensure a sustainable fishery for all participants.

The new *Oceans Act* widens the scope of DFO responsibilities for fisheries management within the broader context of other ocean activities. A system of integrated oceans management is being developed to co-ordinate decisions about the many competing uses of ocean resources and habitat. Increasingly, fisheries management processes will need to dovetail with oceans management processes, and fisheries stakeholders will need to take account of the interests of other users of the oceans in their planning and decision making and vice versa.

Process and Focus of the Atlantic Fisheries Policy Review

With the AFPR, DFO has undertaken to clarify and consolidate existing policy and to develop a more coherent policy vision for fisheries management, one that reflects a modern approach to governance. The policy review will be conducted in two phases. The first phase will define overall policy directions and goals. Key players in the development of these policy directions will include provincial governments, commercial harvesters, both Aboriginal and non-Aboriginal, aquaculturists, those involved in recreational fisheries, and other stakeholders. The second phase of the review will develop policy instruments and strategies.

The principles and policy directions generated by the AFPR will be consistent with the protection provided to Aboriginal rights and treaty obligations and land claims agreements between Aboriginal groups and the federal government.

Proposed Principles and Policy Options

A new policy framework needs a set of mutually agreed goals for fisheries management. We propose the following three objectives:

- **Conservation** — conservation and sustainable use of fisheries resources should be the top priority of fisheries management.
- **Orderly management** — the allocation of fisheries resources should be made more stable and predictable by developing and implementing a consistent, fair, credible and transparent process.
- **Shared stewardship** — stewardship of the fisheries resource should be shared with resource users, including Aboriginal groups and the fishing industry, as well as with other stakeholders, through participatory decision-making processes and structures.

To achieve these objectives, DFO proposes to develop policy in four interrelated areas, namely conservation, economic and social viability, access and allocations, and governance. The new framework will fundamentally change the Department's role in fisheries management from one of micro-manager, heavily involved in day-to-day operations, to one of policy maker and strategic direction setter.

Conservation

If conservation is to be the top priority in decisions affecting the fisheries, the term needs a precise definition. We propose the following. **Conservation means sustainable use that safeguards ecological processes and genetic diversity for present and future generations.**

The Department will continue to be responsible and accountable for setting conservation standards and ensuring compliance with them. This could include such things as determining the total allowable catch and harvesting methods, as well as setting the thresholds that will determine when conservation standards are being transgressed. But stakeholders and interest groups should have meaningful input both into setting standards and determining what levels of risk to stocks, and therefore livelihoods, is acceptable. DFO should work more closely with Aboriginal groups, industry groups, provinces and other stakeholders, not only to establish conservation standards, but also to develop resource management strategies to prepare for and mitigate the effects of natural stock fluctuations and changes in environmental conditions.

Managing for conservation means taking elements of the ecosystem into account in decision making, rather than just fish. It also calls for fisheries management plans that incorporate a precautionary approach, one that anticipates possible calamities and includes contingency plans and remedies. Any harvest of a renewable natural resource involves certain levels of risk, and such risks will need to be realistically assessed and accommodated in fisheries management plans. Ecosystem-based research and planning will help ensure that fisheries management plans provide adequately for the protection of fish habitat and other species.

Success at conservation requires both a shared commitment and mutual trust among stakeholders. The Department will need to work to promote a

shared conservation ethic and will need to set up new structures to facilitate communication and co-operation. If we want to achieve an appropriate and enforceable legislative and regulatory framework for conservation, resource users should have a role in the development and enforcement of conservation rules. Since the fishing industry has an incentive to curtail illegal fishing and ensure compliance, it could contribute to conservation goals through self-enforcement.

Economic and Social Viability

Fisheries management decisions have important implications for the viability of both the fishing industry and coastal communities. The number of jobs, the stability of those jobs and the incomes they generate are all affected by fisheries management decisions, as is the industry's overall ability to compete and to thrive. Conservation and sustainable management are the foundation of the industry's long-term economic viability as well as the social viability of fishing-dependent communities. DFO believes its first responsibility should be to safeguard the long-term viability of the resource base by ensuring that it is exploited sustainably. As such, DFO's primary focus should therefore be on setting conservation standards and managing marine resources and habitat sustainably. DFO can best provide for the economic and social benefits from the Atlantic coast fisheries by promoting the sustainable use of the fisheries resource through respect for conservation principles.

Within the larger framework of federal and provincial government policies, DFO should create the conditions that enable the fishing industry to contribute both to the viability of individual fishing enterprises and to the national economy. For example, by having a more transparent and open allocation process that provides for increased predictability and stability, the Department can help create the conditions that industry needs to better address economic and social issues.

At the same time, fleets and licence holders need greater flexibility to set their own economic and social objectives and make the decisions needed to implement them. It is possible to establish a fisheries management regime that gives fishery licence holders more latitude to set their own rules within certain established parameters such as meeting conservation requirements and safeguarding the interests of others.

Access and Allocations

Under the current legislative regime, the Minister of Fisheries and Oceans has broad discretionary powers to distribute wealth, that is, natural capital in the form of fishing licences and quotas. How this wealth is distributed has significant implications for the economic performance of fishing-dependent communities and the economic viability of individual fishing enterprises, large and small.

DFO is proposing to change the relationship between the Department and resource users to one in which the government works with interested parties to decide together on the best use of fisheries resources. Those

decisions must be consistent with DFO's conservation objectives and with treaties, statutes and international legal obligations. Processes must be established to provide opportunities for the wider public to have a meaningful say in fisheries decision making.

The access and allocation process must be, and must be seen to be, fair, transparent and subject to clear and consistent rules and procedural requirements. DFO is proposing a three-step approach: As a first step, existing policies and arrangements should be codified, and dispute resolution mechanisms should be open and transparent. This could mean recognizing current sharing arrangements, with some exceptions, and fixing fleet shares for longer terms.

Access: the opportunity to harvest or use the fisheries resource, generally permitted by licences or leases issued by DFO under the authority of the Minister of Fisheries and Oceans. Opportunities are affected by the requirement of DFO to take into account Aboriginal and treaty rights to fish when providing these opportunities.

Allocation: the amount or share of the fisheries resource or allowable catch that is distributed or assigned by the Minister of Fisheries and Oceans to those permitted to harvest the resource.

As a second step, it may be important to establish clear and consistent rules and procedures for making allocation decisions, particularly where there are substantial changes in resource abundance. These may differ depending on the different types of fisheries but in each case the rules and criteria will need to be clearly defined and consistently applied to those applicable fisheries.

A third step may be to establish a process for addressing the allocation issues that might arise in the future. It is suggested that the institutional arrangements for decision making on allocations should be re-examined. One option is for industry itself to take over allocation decision making as the integrated fisheries management planning process evolves and to do so with local groups or fleets, possibly using their own dispute-settlement mechanisms. Where industry groups are unable or unwilling to develop and support the processes that will be necessary, or when particular issues generate insurmountable differences between groups, it may be necessary to establish a default position other than the current appeal to the Department and the Minister. This could take the form of an independent, arm's-length mechanism to make decisions based on clear policy and criteria. Any movement in this direction will take time.

DFO manages fisheries in a way that is consistent with the constitutional protection afforded Aboriginal and treaty rights. Once the Department determines that it is acceptable to harvest a given stock or species, Aboriginal rights to fish for food, social and ceremonial purposes take precedence over other uses of the resource. Moreover, the Department is

expected to manage the fisheries in a manner consistent with the provisions of existing treaties and land claims agreements.

For the purpose of this document, the terms "Aboriginal groups" or "Aboriginal communities" includes Indian bands or groupings of bands, Aboriginal organizations and territorially based Aboriginal communities in the four Atlantic provinces, Quebec, and Nunavut.

Governance

New structures and procedures are needed for licence holders and other legitimate stakeholder representatives to be more directly involved in planning and decision making for the overall management of the fisheries at the regional and cross-regional levels. We can achieve this by building on existing participatory decision-making structures and agreeing on a new division of responsibilities. One approach would be to have stakeholders share responsibility for specific tasks and activities. Another would be to have the Department delegate decision-making authority (within specified limits and guidelines) in specific areas to defined groups.

Licence holders could be given a broader role in allocation decision making through changes to the integrated fisheries management planning process. Other refinements to the planning process could enable particular fleets or local fisheries to incorporate economic and social objective setting in their long-term plans. Process changes would also include improved opportunities for participation by other stakeholders. Provinces and territories have a strong interest in this process and, with the signing of the Agreement on Interjurisdictional Cooperation in 1999, we have moved toward a more collaborative and consultative process.

Because integrated fisheries management plans are developed on a stock-specific basis, new structures and procedures will also be needed to enable stakeholders to be more directly involved in regional and cross-regional fisheries management planning and decision making. Mechanisms will also need to be developed for input from others, as well as effective links to the wider integrated oceans management processes.

DFO should support initiatives to build management capabilities among licence holders and other resource users through their professional organizations. A new legislative and regulatory framework could expand the management responsibilities of resource users. Such responsibilities might include making and enforcing rules to achieve conservation and orderly management objectives at the fleet or local level. An expanded co-management system would also require an objective dispute-resolution mechanism.

Integrated management as proposed under the *Oceans Act* provides additional opportunities for resource users and other stakeholders and interest groups to participate in promoting conservation and sustainability in oceans use. These processes need to be set up and linked effectively to the processes used in fisheries management.

Conclusion

This discussion paper emphasizes conservation, orderly management and shared stewardship as the key objectives, for the management of Atlantic fisheries. To achieve these objectives it will be necessary to clarify the roles and responsibilities of the various participants in fisheries management, including federal government Departments and agencies, provincial and territorial governments, Aboriginal groups, and other resource users. It will also be necessary to define the relationships between them.

Under the fisheries management regime envisioned by this discussion paper, DFO's fisheries management responsibilities could be focused on the following:

- providing sound scientific advice, determining conservation goals and requirements with participants, and ensuring compliance with these goals;
- designing processes that give resource users and other stakeholders a more active role in fisheries management and decision making and facilitating their participation;
- establishing an orderly management system in which participants share responsibility and decision-making power with the Department and accept responsibility and accountability, where feasible and appropriate, for many aspects of day-to-day fisheries management;
- clarifying and strengthening conservation rules and ethics and promoting the sustainable use of fisheries resources to protect and expand the economic and social benefits generated by the Atlantic coast fisheries; and
- working with other government Departments and agencies, other levels of government, the fishing industry and other users to develop comprehensive policy responses in such areas as the professionalization of fish harvesters, the recognition of legitimate industry organizations and the building of management capabilities in the fishing industry.

Conserving the Atlantic fisheries and using them sustainably are clear priorities for governments, resource users and the Canadian public. These goals provide a foundation on which to construct a comprehensive policy framework to guide fisheries management decision making for the future. A new policy framework for the management of the Atlantic fisheries will provide the vision and the tools to make the Atlantic fisheries viable and environmentally sustainable.

1. Introduction

1.1 The Atlantic Fisheries Policy Review (AFPR)

The last comprehensive public review of fisheries management policy for the Atlantic fisheries took place in the early 1980s. Since then, there have been major changes in the industry, in government structures and programs, in the abundance of fish, and in decisions related to Aboriginal participation in the fisheries. Although several new policies have been established on particular issues, there has been no open review of the overall direction and objectives of fisheries management since the Kirby Task Force Report in 1982.

In May 1999 the Minister of Fisheries and Oceans directed the Department of Fisheries and Oceans (DFO) to fill this gap in policy and invited stakeholders to participate. The process, dubbed the Atlantic Fisheries Policy Review (AFPR), will undertake three tasks. It will:

- consolidate relevant fisheries management policies in an understandable way;
- clarify policy priorities and the roles and responsibilities of different parties; and
- commit the Department to a new set of guiding principles.

The focus of the AFPR is Atlantic coast marine fisheries management in Quebec, the four Atlantic provinces and Nunavut. Although fisheries management is the primary focus, this review touches on related areas of concern including science, oceans management and some aspects of marine safety. For the purposes of this review, users of the fisheries resource include Aboriginal groups, recreational fisheries users and aquaculture operators, as well as commercial fleets and fishery licence holders. Provincial governments and other stakeholders, including academics, environmentalists and community leaders, are invited to participate in this policy dialogue.

This review is part of a national approach that DFO is taking to modernize the management of fisheries.

Other initiatives to date have included:

- a policy review and reforms on the Pacific coast;
- implementing the policy direction and principles established as part of the Nunavut Land Claims Settlement; and

- working with Aboriginal communities through the Aboriginal Fisheries Strategy and responding to the *Marshall* decision on Aboriginal participation in the Atlantic fisheries.

Taken together, the principles developed in these initiatives will provide the basis for a broad national fisheries management policy.

The AFPR is being implemented in two phases:

- Phase I will set out the overall policy direction and goals for the management of the Atlantic fisheries; and
- Phase II will generate operational plans for implementing the new policy framework, including specific policy mechanisms and strategies, definitions of roles and responsibilities, and mechanisms for evaluating results.
- Phase II will also involve further consultations on outstanding issues with Aboriginal and other stakeholder groups.

The review process is being conducted by a DFO working group made up of officials from both headquarters and the regions. In 1999 the working group met with provincial and territorial officials and held public information sessions in Iqaluit, St. John's, Halifax, Charlottetown, Moncton and Québec City. Summaries of these discussions were distributed to 800 stakeholders.

1.2 Purpose of This Discussion Paper

The present discussion paper seeks to provide a focus for stakeholder input on policy directions and options and will be used to guide a round of public consultations to be held across the regions. An external advisory board, representing diverse interests in the Atlantic fisheries, has been created to offer advice to the working group. As proposed during the information sessions, the external advisory board is not a decision-making body, but will act as a sounding board both for this document and the policy review process. DFO and provincial and territorial governments have signed an Agreement on Interjurisdictional Cooperation in 1999, which commits both levels of government to timely consultations with affected jurisdictions as part of their decision-making process. This policy review exercise will meet the commitments set out in the Agreement through the AFPR consultation process.

1.3 Scope of This Discussion Paper

The goal of the first phase of the AFPR is to develop a relevant and effective policy direction toward making the fisheries sustainable. We want to ensure that this new direction has the broadest possible support from stakeholder groups, including the commercial fisheries, Aboriginal groups, the aquaculture industry and recreational fisheries users, as well as from governments, environmentalists and the public. The ideas presented here emerged from extensive consultation.

Although it is not a legally binding instrument, a policy is a written document that reflects a formal decision or set of decisions about how

something will normally be done. A policy document provides a road map or a set of rules and guidelines for action. A policy can include any or all of the following levels of decision making:

- what we are trying to achieve — overall vision, objectives and direction;
- how to achieve the vision and objectives — general strategies and programs; and
- how to implement the strategies — operational plans, rules and regulations.

The first level of policy is critical for DFO because it establishes the framework for decisions on the second and third levels. DFO's overall vision for fisheries management has to be clear before the many different programs, operational plans and regulatory guidelines can be pulled together into an effective, coherent system.

This discussion paper addresses only the first level of policy making outlined above. The document offers a general direction for fisheries management in the next several years and beyond, and identifies issues requiring further contribution by stakeholders. Once the new policy framework has been articulated, strategies and operational policies will be evaluated and revised in the second phase of the AFPR.

Again, we emphasize that the purpose of this document is to generate discussion and to provide a focus for input from all interested parties. Discussion questions, provided throughout Section 4 of the document, provide a focus for comments and for public consultations. Additional comments or observations are welcome. The new policy framework will be drafted only after that input has been received, analyzed by the Department and reviewed by the Minister.

Some of the new directions that could be examined during public consultations may be outside the current legislative mandate of the Department. While we recognize that amending legislation may be necessary, the need to amend the law should not by itself be the reason to refrain from discussing new directions.

1.4 Why a Policy Review?

The fisheries have undergone dramatic changes over the past two decades. The decrease in key groundfish resources, the upsurge in shellfish abundance and exports, Supreme Court decisions such as *R. v. Sparrow* and *R. v. Marshall* and the sunsetting of income support programs have all served to highlight the structural problems in the Atlantic fisheries and the disputes that exist among different industry sectors and users. We highlight a few of them here.

- Although conservation is a cornerstone of DFO's approach to fisheries management, the concept is not defined well enough.

- It is unclear what economic and social objectives fisheries management should seek to accomplish and what the respective roles of governments and stakeholders should be in achieving these objectives.
- Disputes over access and allocation arrangements continue, and there is continuing disagreement about the role that DFO and its Minister should play in this area. Ongoing disputes over access and allocations detract from the desired focus on conservation.
- A paternalistic fisheries management culture, in which DFO makes the decisions, means it is difficult for resource users to fully embrace the notion of stewardship and keeps the Department focused on micro-management at the expense of policy and direction setting.
- Existing policies have been developed in a mostly piecemeal fashion in response to specific crises, issues or concerns. Consequently, there is no overarching vision or cohesive policy direction.

The lack of a clear direction and the absence of a policy framework make it uncertain what we want from our fisheries. Indeed, this lack of clarity in overall direction was an important finding in recent Auditor General reports. Moreover, other observers, including the Standing Committee on Fisheries and Oceans, the Canadian Council of Professional Fish Harvesters and the Fisheries Council of Canada, have stressed the need for policy principles to guide fisheries management decision making.

In effect, the fisheries are at an important juncture, and key questions need to be answered if we are to move forward. For example, what exactly do we mean by conservation? What role should economic and social objectives play in fisheries management planning? What should the roles of DFO, industry and others be with respect to access and allocations? And who should be involved in fisheries management decision making? The sections that follow attempt to answer these questions.

1.5 The *Oceans Act* and Integrated Management Planning

On January 31, 1997, the *Oceans Act* came into force, giving DFO a clear direction and focus centred on sustainable development. The Act addresses Canada's economic, social and environmental objectives for three oceans and provides for the integrated management of activities affecting the oceans. Part II of the Act commits DFO to developing an Oceans Management Strategy that has as its core the integrated management of oceans and marine resources.

A system of integrated management is being developed to co-ordinate the many different uses of ocean resources and habitats. Increasingly, fisheries management processes will need to dovetail with oceans management processes, and fisheries stakeholders will be expected to incorporate the perspectives of other oceans users in their planning and decision making, and vice versa.

In an era of integrated planning, the current Atlantic fisheries policy discussion must become part of an overall policy approach involving all three coasts and affecting all oceans use. There will be a need to harmonize Atlantic fisheries policy with other policies, and this will take place over time.

Nevertheless, this discussion paper deals primarily with fisheries management in Atlantic Canada. It proposes new directions for the management of Atlantic fisheries. It also demonstrates how commercial fisheries management is linked to, or affects the management of, other fisheries and the integrated oceans management process. In particular, it addresses the need for stakeholders from outside the commercial fishery, including those involved in oceans management and those who represent the public interest, to have a meaningful say in fisheries management policy.

2. Aboriginal Fisheries

Of particular interest to the AFPR is the implementation of the Supreme Court of Canada's ruling in the *Marshall* case on Aboriginal participation in commercial fishing. It is important to clarify this issue.

DFO manages fisheries in a way that is consistent with the constitutional protection afforded Aboriginal and treaty rights. Once the Department determines that it is acceptable to harvest a given stock or species, Aboriginal rights to fish for food, social and ceremonial purposes take precedence over other uses of the resource. Moreover, the Department is expected to manage the fisheries in a manner consistent with the provisions of existing treaties and land claims agreements.

The Supreme Court decision in *Marshall* does not diminish the need for the Atlantic Fisheries Policy Review (AFPR), nor at the broad level does the Marshall decision shift the goals or timing of the review. In fact, it complements Aboriginal groups' stated goals and aspirations to access the resource to a greater degree and promote conservation while assuring a greater role in the management of the resource. The undertaking to clarify the overall direction of fisheries policy is even more relevant now than it was before the *Marshall* decision.

The *Marshall* decision has served to clarify certain treaty rights related to access to the fisheries, and these are being addressed in specific treaty and rights processes led by the Department of Indian Affairs and Northern Development, and in fisheries access initiatives of the Department of Fisheries and Oceans. The AFPR will not replace these specific processes for interpreting and accommodating Aboriginal rights to harvest commercially, and for addressing specific issues emerging from increased Aboriginal involvement in the fisheries.

However the AFPR envisages the development of broad principles for fisheries management that are relevant and meaningful to both Aboriginal and non-Aboriginal fisheries in the four Atlantic provinces, Quebec and Nunavut. For example, principles on conservation, shared decision making and economic viability provide an important starting point for developing subsequent fisheries strategies and measures. These concepts should be enduring and common to the fisheries regardless of who fishes.

By establishing a clear and comprehensive policy framework for fisheries management, the AFPR could facilitate effective communication between Aboriginal and non-Aboriginal fisheries groups and government representatives engaged in developing new fisheries arrangements. For

this reason, DFO is committed to completing the AFPR in a way that complements the implementation of the *Marshall* decision.

3. Toward a New Direction for the Atlantic Fisheries

In each of the last three decades, there have been clear but different DFO policy priorities for the Atlantic fisheries, which reflected circumstances of the day.

- In the 1970s the priority was to establish control over fisheries in Canadian waters and extend fisheries management capabilities throughout the 200-mile zone.
- In the 1980s the focus was on expansion of the capacity of industry to harvest and process the seemingly vast resources under Canadian control and on developing systems to regulate the different fleet sectors and their interactions.
- Policy in the 1990s was shaped by stock collapses and cuts in government resources. During this period the government sought to reduce the number of fishing boats and to encourage more responsible fishing practices, including selective harvesting methods to reduce by-catch. Overall participation and harvesting capacity was reduced through licence retirement, and programs were put in place to retrain out-of-work fishermen for other employment. It was also during this period that new fisheries policies sought to accommodate the Aboriginal right to fish for food, social and ceremonial purposes. The 1990s saw the beginning of formalized co-management of the fisheries, the implementation of a new licensing policy, a movement toward cost recovery for DFO services and the promulgation of the *Oceans Act*.

All three of these periods saw dramatic shifts in the fishing economy and frequent conflicts over allocations and access. Policy debates were often dominated by sharp disagreements on economic and social objectives for fisheries management. Despite the tensions and instabilities, steady and significant progress was made over the last 30 years in developing new structures and processes that would lay the groundwork for meaningful stakeholder participation in fisheries co-management. It is probably no accident that the *Oceans Act*, with its emphasis on integrated management, public participation and resource sustainability, was adopted on the heels of these developments.

The dawn of a new decade still finds government and industry grappling with difficult issues. But a look at the longer-term trends offers a more positive context in which to formulate new fisheries management policy.

- Although many groundfish stocks continue to be depressed, some stocks are showing signs of recovery.

- The Northern Cod Adjustment and Restructuring Program (NCARP), The Atlantic Groundfish Strategy (TAGS), the Canadian Fisheries Adjustment and Restructuring (CFAR) program and fleet rationalization initiatives have removed effort and capacity from the groundfish fisheries. CFAR is the last opportunity to leave the fisheries with government assistance.
- Landed values in the Atlantic fisheries have grown steadily through the 1990s with recently increased catches of higher-value shellfish species.
- The value of aquaculture production continues to increase.
- Recreational fisheries, especially in fresh water, continue to be important, and there are growing opportunities in marine areas.

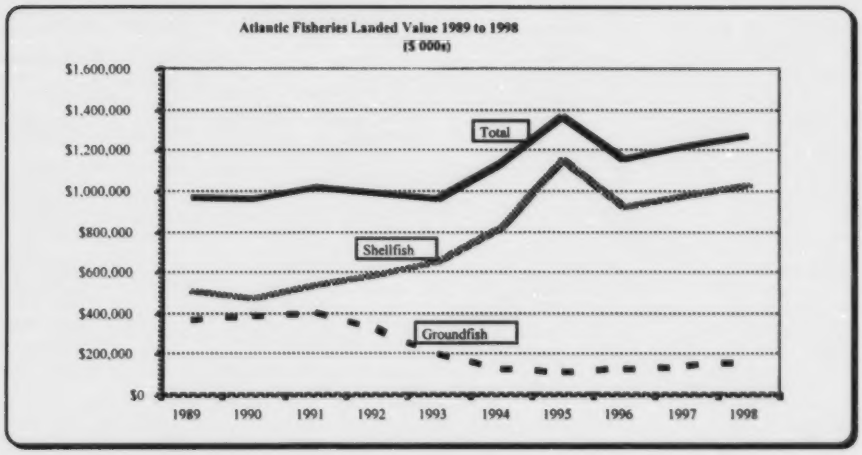

Figure 1 above shows that, contrary to popular belief, the 1990s were a period of growth in the economic value of Atlantic fisheries. In terms of total landed value, the groundfish collapse was more than offset by the growth in shellfish landings. However, many fish harvesters and fish workers who depended on groundfish and other fisheries have not benefited from the expansion in shellfish resources.

The positive trends should not be exaggerated or taken for granted. DFO managers and industry leaders see current levels of harvesting mortality for shellfish as dangerously high in some areas, and some fleets are still simply too large. In particular, observers predict that the long upward trends in lobster landings may be arrested and possibly reversed by changes in ocean conditions, increased predation, and natural cycles. Similarly, several shrimp and crab populations appear to be peaking, and current harvesting levels are unlikely to be sustainable in the long run.

Indeed, the total allowable catch for Newfoundland snow crab has recently been reduced.

Given natural variations in resource abundance, a primary objective for fisheries management policy in the next decade must be to limit the possibility that overfishing will be a primary cause of a stock collapse. The management goal for industry and government should be to define sustainable harvesting levels for all commercial fisheries and zealously respect them. With a shared conservation ethic and the benefit of excellent scientific research, this should be an achievable goal.

Fish stocks are under pressure around the world, and world prices for seafood are likely to increase as supplies shrink. If the Canadian fishing industry can maintain safe harvesting levels over the long term, and if aquaculture production can be expanded in harmony with traditional fisheries, there is potential for the economic value of the industry, including groundfish, pelagics and other marine products, to continue to appreciate.

The Department can envisage an industry that employs fewer vessels and lands fewer fish than it did a decade ago, but is more diversified, generates higher incomes for harvesters, supports jobs onshore, and provides fishing communities with greater economic and social stability.

Harvesters increasingly understand that the key to a secure and rewarding future is to conserve their valuable stocks and the marine habitat that supports them and to secure stronger economic returns by improving product quality and marketing. The incentives for harvesters to work together to conserve stocks and protect fish habitat are obvious and compelling.

4. Key Areas of Policy Discussion

Overview

DFO's current vision statement calls for safe, healthy and productive waters and aquatic ecosystems for the benefit of present and future generations. The Department's overriding fisheries management priority is to ensure that the fisheries resource is used sustainably. To accomplish this, DFO believes that it is essential to move toward more orderly management and shared stewardship of the Atlantic fisheries. We therefore propose that the next Atlantic fisheries policy framework centre on the following three objectives.

Conservation

To adopt explicit fisheries management goals that place a priority on conservation and ensure that the resource is exploited sustainably with agreement from all stakeholders (including governments, Aboriginal groups and industry groups).

Orderly Management

To achieve stability in the allocation of fisheries resources by developing and applying a consistent, fair, credible and transparent process for resource allocation.

Shared Stewardship

To create a fisheries management regime based on participatory decision making to share stewardship of the resource.

There are two important questions to consider as you read on.

1. Do the broad directions and principles outlined in this document reflect the direction you support for future fisheries management? If not, what other approach, goals or principles do you believe should be emphasized?

2. What are the barriers to adopting the proposed direction and principles, and how can these barriers be overcome? What, if anything, needs to change to make the adoption of the proposed direction possible?

4.1 The Problems

Many reports from industry, the Auditor General, Standing Committees of the House of Commons and Senate, and consultations carried out to date by the AFPR, have highlighted four main problem areas:

- the meaning of "conservation" is unclear;
- DFO's role in economic and social issues remains uncertain;

- disputes and uncertainty over access and allocations, and disagreements about how these decisions should be made, continue to impede progress on other initiatives; and
- DFO's approach to fisheries management is too paternalistic; licence holders need to be encouraged and enabled to become more responsible and accountable for their actions.

4.2 Policy Themes

Current fisheries management policies do not address these issues clearly or consistently. DFO therefore wants to develop a policy framework that consolidates, clarifies and updates fisheries management policy in four areas:

- conservation;
- economic and social viability;
- access and allocations; and
- governance.

This section of the discussion paper reviews key issues, sets out draft principles and discusses policy approaches for each of the four areas. Under each theme, readers will find questions to help them reflect on the policy elements and express their thoughts and views on the proposed directions and objectives. DFO welcomes stakeholder and public responses to these questions and to any other aspect of the discussion paper.

4.3 Conservation

Key Points

- Conservation is defined as sustainable use that protects ecological processes and genetic diversity for present and future generations.
- DFO should continue to be responsible and accountable for setting conservation standards and ensuring compliance. Aboriginal groups, the fishing industry and other stakeholders should have a meaningful say in setting conservation standards and determining acceptable levels of risk, including risk of stock depletion and its ramifications.
- Fisheries management should incorporate both a precautionary and an ecosystem-based approach.
- To build relationships of mutual trust and a shared commitment to conservation, DFO policy should promote a shared conservation ethic, and new structures should be established to facilitate communication and co-operation.
- Fisheries should be conducted within an appropriate and enforceable legislative and regulatory framework.

Conserving and protecting marine resources and habitat is a core element of DFO's mandate. Although there are many interpretations of the term conservation, it is not enough to practise conservation by government decree. Most academics and analysts agree that the best way to achieve conservation is if people with a stake in the resource take responsibility for maintaining it. The tradition of decision making in fisheries management in Canada has meant that conservation is often seen solely as a DFO role to be achieved in a top-down fashion through regulatory and enforcement processes. A more effective approach would be to change current approaches to give fisheries participants a feeling of ownership over the resource. DFO does not have the resources to regulate and monitor every fishing activity. The Department is convinced that it will not be possible to conserve Atlantic fisheries resources unless all resource users and stakeholders take greater responsibility for conservation.

4.3.1 Defining Conservation

The challenge in defining conservation is to find the right balance between providing the economic and social benefits of harvesting a natural resource and the need to protect the resource itself. A risk-free conservation approach would support little or no human interference with the ecosystem. At the other end of the spectrum, a high-risk approach would pursue short-term gains in economic development, employment and incomes, at the risk of jeopardizing the well-being of fish.

Departmental policies, supported by statements from the Minister, recognize that, in addition to the overall objective of resource conservation, the fisheries management system must address socio-economic objectives. Conservation cannot be pursued in isolation from

these goals. Fisheries should be managed so that they are ecologically sustainable and provide the greatest possible stability to fishing communities. This is achieved when the fisheries are economically viable and self-reliant over the long term.

Uncertainty is an intrinsic feature of managing a living resource. Fish stocks are subject to changes in the ocean environment. Our ability to forecast the effects of these changes is imperfect; our ability to control them is non-existent. Conservation is paramount, but it does not mean avoiding all risks to stocks or species. What it does mean is avoiding unacceptable risks. It means establishing harvest controls guided by appropriate biological limits and goals, including protecting biodiversity. These measures should serve to protect stocks from declining to the point where recovery would require several years and imposition of exceptional, stringent management measures. Participants in fisheries management decisions must clearly acknowledge the existence of risk and, ideally, arrive at a consensus on an acceptable level of risk. In the event that risks become unacceptable, stakeholders must agree on the actions that are required. Operating within a sustainable framework, they must agree to strike a balance between protecting the resource and realizing the benefits of its harvest. But the first priority must be maintaining the resource base itself.

Given the need for this kind of balance, conservation might be defined as follows:

Conservation
Sustainable use that safeguards ecological processes and genetic diversity for present and future generations.

4.3.2 The Conservation Principle

The first principle and highest priority governing resource management for the Atlantic coast fisheries should therefore be:

- Management decisions must put the conservation of fisheries resources and habitat first.

4.3.3 Policy Elements

4.3.3.1 A Precautionary Approach

Sustainable fisheries management will require concrete measures to accommodate risk and uncertainty related to stock conditions — to err on the side of caution. With the adoption of the *Oceans Act*, we are committed to defining and implementing a precautionary approach for domestic stocks. After the adoption of the United Nations Fish Agreement (UNFA), Canada made a commitment to implement a precautionary approach in fisheries management for straddling and highly migratory stocks. Several international groups are working to implement a precautionary approach and Canadian scientists and managers are contributing to this through the Northwest Atlantic Fisheries Organization (NAFO), the International Council for the Exploration of the Seas (ICES), the North Atlantic Salmon Conservation Organisation (NASCO), the International Commission for the Conservation of Atlantic Tunas (ICCAT) and through their own regional forums.

Resource abundance is influenced by fishing activities as well as by oceanic and environmental factors. There is always a need for better data collection, research programs and new scientific knowledge to help decision makers identify safe levels of harvesting mortality relative to all the factors determining abundance. The accurate reporting of landings by all fishermen, by fishing location, and on a timely basis, is an essential requirement for the determination of stock abundance.

A precautionary approach is applied in fisheries management to reduce the likelihood of unacceptable outcomes. This means that potentially unacceptable outcomes must be clearly identified, risks evaluated and appropriate steps must be taken to reduce the likelihood of their occurrence. Under the precautionary approach, avoidance of possible unacceptable outcomes must take precedence over other objectives.

The implementation of a precautionary approach calls for improvements in fisheries management processes such as the following:

- clearly identifying management objectives and reference points to guide management decisions and determine unacceptable outcomes before they happen;
- agreeing on a set of predetermined management responses that will be taken as soon as the risk of an undesirable outcome exceeds the tolerable level;
- taking into account uncertainty in data, stock assessments and the implementation of fishery controls;
- applying prudent foresight in establishing fishing plans aimed at harvesting the resource at sustainable levels;

- increasing the use of selective fishing gear and other responsible fishing practices; and
- using effective monitoring and control measures to ensure compliance with conservation and management objectives.

DFO will be responsible for identifying unacceptable outcomes related to resource collapse and unsustainable harvesting practices. These outcomes will be identified as part of the operational portion of the policy review — Phase II — which will follow once the policy framework is completed. DFO resource managers and scientists will then need to work closely with stakeholders to define reference points and conservation objectives for optimal resource use, define acceptable risk, and develop strategies to prepare for natural stock fluctuations and changes in environmental conditions. There is a need for new structures to facilitate communication and co-operation; but the more fundamental challenge is to build relationships of trust and a shared commitment to conservation.

4.3.3.2 Ecosystem-based Management

There is increasing acceptance among fisheries scientists, managers and stakeholders that fisheries cannot be managed safely and sustainably on a species-by-species basis alone. Inter-species relationships and habitat conditions have to be taken more fully and effectively into account if the health of particular stocks is to be protected. The long-term objective should be to integrate ecosystem objectives into the overall conservation approach in managing fisheries. It should be recognized that this approach will evolve over time as knowledge and understanding of ecosystem relationships and fisheries impacts improves.

In adopting ecosystem-based management, policy and program approaches must be identified to support this direction. Such strategies might include:

- giving more thorough consideration to environmental conditions, multi-species interactions and protection of species at risk in integrated fisheries management plans (IFMPs) and conservation harvesting plans[1] (CHPs);
- making inter-species relationships a higher priority for fisheries research;
- using ocean management measures, including marine protected areas, to protect the most vulnerable habitats and, where effective, the areas where species interactions are most significant; and
- developing more selective fishing practices, methods and technologies. Increasingly, DFO may want to encourage harvesting practices and methods that help maintain adequate spawning potential, ensure that all age groups are well represented in a

[1] See Glossary, Appendix 1.

population, safeguard genetic diversity within fish populations and protect the ecosystem. Benchmark data on all these variables should be collected, recorded and used as reference points for evaluating fisheries management strategies.

4.3.3.3 A Conservation Ethic and Responsible Harvesting Operations

Canada's approach to fisheries management has always cast DFO as the lone guardian of Canada's fisheries resources with little involvement by others, as though licence holders and fishing-dependent communities were incapable of understanding the consequences of overharvesting or taking steps to prevent it. This top-down approach to conservation is destined for failure. Realistically, resource conservation is impossible unless all participants take greater responsibility for it. A more promising approach would see resource users assume greater accountability for stewardship of the resource. This will be assisted by providing greater predictability and stability of access to the resource.

The greatest hope for the long-term sustainability of the fisheries is that the push for conservation will come up from the wharves and the boats and the local meeting rooms and that government will work hand in hand with stakeholders to achieve shared conservation objectives. The good news is that, more and more, industry and community leaders are recognizing that conservation is about protecting the economic value of their industry and the future of their families and communities.

This calls for new strategies and new, practical mechanisms to share information, pool knowledge and encourage respect for conservation. The elaboration of structures for effective co-management at the local and regional levels is an obvious priority.

Strategies and programs to encourage industry and other stakeholders to continue to take greater responsibility for conservation and to support DFO's core mission could include:

- promoting the implementation of the *Canadian Code of Conduct for Responsible Fishing Operations* and its constant refinement and elaboration;
- encouraging broader participation in fisheries management systems to promote grassroots buy-in for conservation measures and objectives;
- supporting initiatives related to industry professionalization, recognizing the involvement of the provinces in these activities;
- getting harvesters and other stakeholders to participate more actively in data collection, surveys, logbook programs and other stock assessment processes to enhance knowledge about stock health;
- adopting better ways to acquire, validate and use indigenous and local knowledge in the evaluation of the state of stocks and ecosystems; and

- expanding accountability to establish direct consequences for poor conservation decisions just as stakeholders benefit from positive conservation results.

4.3.3.4 Conducting Fisheries within an Appropriate Regulatory Framework

Conservation requires an appropriate legislative and regulatory framework that is clearly understood and adhered to by industry and other stakeholders. This includes developing fishing plans that:

- reflect the health of the resource;
- define conservation objectives explicitly;
- achieve compliance, monitoring and enforcement within realistic cost structures;
- use governmental and industry resources efficiently and effectively; and
- give the desired results when properly implemented.

Enforcement is primarily a means of protecting the resource and deterring harvesters from disregarding fishing rules. It is also an essential tool to prevent unauthorized harvests by those not licensed to fish. The orderly implementation of local or fleet-based harvest management plans depends on effective enforcement. The fishing industry can help develop new and more effective regulatory mechanisms to promote conservation and improve the management of day-to-day fishing operations. It could also be involved in designing control measures. Such measures could be made part of licensing conditions that would determine and enforce the objectives of the fleet and help to establish appropriate sanctions for non-compliance.

Under the proposed framework, DFO would continue to be responsible for various resource protection measures. These would include patrolling Canada's 200-mile zone, enforcing rules and limits (including quotas, boundaries and permissible fishing dates) established by international bodies such as NAFO, and protecting the resource and the domestic fishery against "poachers" or non-licence holders.

4.3.4 Discussion Questions

1. Should other guidelines or policy elements be considered in conservation besides those identified in the discussion document?
2. What changes are necessary to foster an environment conducive to conservation and shared stewardship?

4.4 Economic and Social Viability

Key Points

- DFO's fisheries management policies and programs have important economic and social consequences. The Department's economic and social goals support the broader economic and social goals of the Government of Canada.
- DFO can best contribute to the economic and social benefits generated by the fisheries by directing its efforts to conservation and the sustainable management of marine resources and habitat and by providing a policy framework within which resource users can optimize economic and social outcomes.
- The well-being of coastal communities is the collective responsibility of licence holders, communities themselves, DFO and various government agencies.
- Fleets and licence holders need greater flexibility to make and implement their own management decisions.
- As resource users and others take on greater responsibility for fisheries management, the Department should work with them to build their capacity for factoring economic and social objectives and consequences into their fisheries management planning.

4.4.1 Issues

Over the past 30 years, there have been constant and often heated debates within communities, between industry groups and in the political arena about the trade-offs between conservation objectives, economic objectives (i.e., maximizing the industry's economic efficiency) and social objectives (i.e., creating as many jobs as possible).

Economic and social objectives began sparring with one another in the 1970s as DFO introduced restrictions on access to the resource. The 1976 Policy for Canada's Commercial Fisheries emphasized "best use" of society's resources in terms of conservation, fostering viability and stability, co-ordinating fisheries management, giving more power to the industry, maintaining coastal communities, and improving processing and marketing.

The 1982 Kirby Report stated, as its first objective, that the Atlantic fisheries should be economically viable on an ongoing basis and able to survive downturns with only a normal business failure rate and without government assistance. It also recommended that management seek to maximize employment and provide "reasonable incomes as a result of fishery-related activities, including fishery-related income transfer payments." This report did not address conservation and, in fact, forecast vast amounts of groundfish, especially northern cod.

By the late 1980s, DFO was often criticized for promoting a "social fishery," that is, an industry that was unable to support itself economically because of generally low incomes and heavy dependence on unemployment insurance and government subsidy. Other observers criticized the Department for allocating half the groundfish to a small

number of trawler companies and providing hundreds of millions of dollars to bail them out of imminent financial collapse in 1982. Smaller operators contended that government was "privatizing" the resource through the introduction of individual transferable quotas, bestowing on licence holders what was, in effect, a property right, albeit for a finite period.

In response to the collapse of groundfish stocks in the 1990s, the federal government introduced the TAGS program and a new Atlantic licensing policy (which established the concept of the core[2] enterprise). These initiatives helped reduce the number of fishing boats and "professionalize" the fishermen who remained, raising their incomes and reducing their reliance on income transfers. But fishermen also wanted the industry itself to be economically viable. The 1995 Montreal Round Table[3] called for "a viable fishery in which market returns can provide the opportunity for participants to realize reasonable levels of income."

In December 1999 DFO Minister Herb Dhaliwal reaffirmed that the fisheries must

- be environmentally sustainable;
- be economically viable;
- balance harvest capacity with the available resource;
- allow participants a greater role in making decisions; and
- be internationally competitive.

This statement challenges industry and other stakeholders to play a much more direct role in determining how, in the fisheries of the future, objectives for employment, incomes and community stability are to be balanced with the conservation imperative and with the need for greater economic viability and self-sufficiency.

The AFPR is under way at a time when the worst stages of the groundfish crisis are perhaps behind us, when the fishing economy has been showing strong signs of recovery, and when there is a growing consensus among stakeholders that conservation should be a priority. It is a good time to take a fresh approach, to understand and adopt more explicit economic and social policy objectives for the Atlantic coast fisheries, and to clearly define DFO's economic and social policy roles and responsibilities within the parameters of conservation.

In considering a fresh approach, it is important to understand the legal obligations and broad government objectives that will have an impact on DFO.

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[2] See Glossary, Appendix 1, for a definition of core policy.

[3] The Montreal Round Table was a DFO-sponsored policy dialogue that brought together all sectors of the commercial fishing industry to discuss the future direction of the Atlantic fisheries.

The recent Supreme Court decision in *Marshall* and its subsequent clarification confirmed a treaty right of Mi'kmaq, Maliseet and Passamaquoddy communities to hunt, fish and gather and to trade the products of those activities to gain a moderate livelihood. In response to the decision, the government is negotiating interim fishing arrangements to increase access of First Nations to the commercial fisheries. This is an extension of the existing Allocation Transfer Program designed to enhance native participation in the fisheries.

As well, the Government of Canada's broad economic and social objectives provide an important foundation for policy direction for the fisheries. For example, the government's economic objectives include reducing our debt-to-gross domestic product (GDP) ratio, continuing to improve employment opportunities, investing in a more productive economy and achieving targets for economic growth. The February 2000 budget demonstrated the government's commitment to a fair and competitive tax system and an integrated approach to economic and environmental policy. Applied to the fisheries sector, these broad economic goals translate into objectives to:

- spur economic growth, job creation and the new economy;
- promote competition, efficiency and innovation;
- enhance international competitiveness, in light of economic globalization; and
- produce a net benefit for the Canadian economy.

The federal government has also set out its vision for rural Canada, which is relevant to the hundreds of communities that depend on the Atlantic coast fisheries. That vision imagines:

- vibrant communities and a sustainable resource base contributing to our national identity and prosperity;
- citizens making informed decisions about their own futures; and
- Canadians sharing the benefits of the global knowledge-based economy and taking full advantage of opportunities for personal gain and sustainable community development.

These objectives and goals provide broad direction to the Department and serve as a basis for identifying policies and programs aimed at achieving this direction. Although none of the legislation that mandates the Department (i.e., the *Oceans Act*, the *Fisheries Act* and the *Department of Fisheries and Oceans Act*) explicitly defines economic and social objectives for the fisheries, DFO policies and programs have significant economic and social consequences.

Provincial and territorial governments have a major role to play in promoting economic development and supporting coastal communities.

Their mandates include responsibilities for education and training, economic development and diversification, promoting tourism, etc.. With respect to fisheries, their responsibilities include setting operating and quality standards for the processing, handling and marketing of fish and fish products, and enacting legislation to enable industry professionalization.

4.4.2 Viability Principles

In the past, many people looked to DFO to resolve all economic and social problems in the fishery and to make economic and social trade-offs. These issues drew the Department away from its conservation mandate. DFO has neither the legislative mandate nor the practical tools to resolve all of the economic and social issues of the hundreds of coastal communities that depend on the fisheries.

The management of fisheries on Canada's Atlantic coast should be guided by the broad economic and social goals noted above. However, we are proposing that DFO's focus in pursuing these values and objectives should be on sustainable management of the fisheries. To address the wider scope of economic and social objectives, DFO should work with and support other federal and provincial Departments and agencies and the industry itself.

Decisions on how to balance economic and social objectives for fisheries management should be made through transparent multistakeholder processes with licence holders playing a determinative role in the decision making. The three-part challenge for government and stakeholders is to foster reasonable livelihoods, define DFO's socio-economic responsibilities within a conservation framework and move decision-making power to those most affected.

Meanwhile, although the Department cannot create prosperity, it *can* create a policy framework that enables the fishing industry to contribute optimally to the national economy and to the economic viability and self-reliance of individual fishing enterprises. The policy elements outlined below seek to achieve greater industry self-reliance and to promote opportunities to improve economic viability. These policy elements, coupled with greater transparency and stability in the fisheries access and allocation process (discussed in the next section), provide a possible foundation for economic and social objectives.

The directions for the fishery proposed in this paper support the government's broad economic and social objectives in two ways. First, enhanced flexibility and greater self-reliance will promote competition, efficiency and conservation and increase the likelihood that fleets and licence holders will spur economic growth, create jobs, enhance international competitiveness and produce a net benefit to the Canadian economy. Second, the fact that this flexibility should be constrained, which will be discussed on the next page, means that the proposed

directions will also be contributing to vibrant communities and a sustainable resource base, and thus to our national identity and prosperity.

To this end, we propose five principles for addressing economic and social viability:

- DFO can best provide for economic and social benefits from the Atlantic coast fisheries by promoting the sustainable use of the fisheries resource through respect for conservation principles.
- Within the larger framework of federal and provincial government policies, DFO should create conditions for the fishing industry as a whole to contribute effectively to both the viability of individual fishing enterprises and to the national economy.
- Responsibility for the well-being of coastal communities must be shared among resource users, communities themselves, DFO, and various federal and provincial government agencies.
- The commercial fisheries must become more economically self-reliant and more responsible for handling fluctuations in the resource and the market.
- Fleets and resource user groups must develop strategies and programs to balance economic and social objectives through resource-use planning and decision-making processes that provide safeguards for the interests of others.

4.4.3 Policy Elements

4.4.3.1 Application of Atlantic-wide Policies

A starting point for all discussions is the current *Commercial Fisheries Licensing Policy for Eastern Canada — 1996*. This policy remains in place. However, the Department recognises that fleets need flexibility to make and implement decisions and develop their own goals for economic viability. To do this, it may be necessary for fleets to develop their own policies in certain areas, but this can only happen where a significant majority of the licence holders agree and provisions are in place to safeguard the interests of others. In developing their policies, fleets would be bound by certain constraints on their decision making, such as those outlined in the section below on self-reliance (4.4.3.2).

4.4.3.2 Self-reliance

DFO policy and programs alone cannot create a prosperous fishing industry, but they *can* help create the conditions that will allow individual harvesters to become more economically self-reliant and make the best decisions within the context of their particular circumstances. The policy position proposed in this discussion paper is that, within certain constraints, such as meeting criteria for conservation, licence holders and fleets should make their own business decisions and be accountable for the consequences.

The following criteria might constitute a set of constraints within which licence holders and fleets could make their own fisheries management decisions. These criteria could evolve over time. For instance, local users may wish to add more constraints to the list that reflect circumstances and socio-economic goals for the fishery in their particular area. The objective is to allow resource users the flexibility to make decisions that suit their own circumstances, while they uphold their responsibilities for conservation.

1. Decisions should be consistent with conservation objectives.
2. Decisions and decision-making processes must respect the interests of others.
3. In keeping with the core licensing policy, there should be no net increase in the number of enterprises.
4. All decisions should contribute to an economically competitive and self-reliant fishing industry.
5. The resource should be harvested by Canadians with Canadian vessels.
6. Continue to maintain geographic distribution of economic opportunities within a diverse fleet structure.
7. Decisions about resource access should avoid the concentration of licences and quota in too few hands.
8. Decisions should not compromise international interests or obligations.

To implement the policy direction outlined above, the fishing industry would have to work with DFO to develop operational strategies, decision-making mechanisms and a legislative and regulatory framework. The process might include the following steps:

- determining the limits on the authority of new decision-making processes relative to regional and Atlantic-wide rules, controlled capacity and effort, and the protection of other interests;
- developing more inclusive consultative or decision-making structures to monitor, review and guide detailed decision making at the local or fleet level;

- developing rules and providing resources to promote full, informed and open participation and debate;
- working within the core licensing policy for vessels less than 65 feet long; and
- categorizing the specific fleets and interest groups that would participate in particular decision-making venues or structures.

4.4.3.3 Opportunities to Improve Economic Viability

Giving licence holders more support and flexibility to make economic decisions that apply to their individual fishing operations while ensuring proper conservation could bring more prosperity to the various fleets and, through them, to their communities. Diversification of local fisheries economies could be promoted by policies developed by governments and stakeholders. Such policies would include:

- encouraging commercial harvesting enterprises to diversify their business by setting aside a portion of their catch for alternative uses such as aquaculture, recreational fisheries and ecotourism;
- using exploratory or emerging fisheries to promote new fishing opportunities with an eye to diversifying core enterprises, and with due attention to sustainability and selective fishing methods; and
- promoting diversity in harvesting methods and strategies to increase the ability of fleets and licence holders to withstand natural resource fluctuations and to adapt to changing circumstances.

4.4.4 Discussion Questions

1. Is industry co-management, within constraints, an effective way to address economic and social objectives for the fisheries?
2. Have we identified appropriate constraints; if not, what others should be considered?
3. What criteria should be used to establish groupings of licence holders that are of a size and composition suitable for making fisheries management decisions?

4.5 Access and Allocations

Key Points

- Government needs to retain the ability to respond to legal obligations and to make high-level choices about public access to a valuable and limited resource.
- Resource users should play a more direct role in access and allocation decision making.
- As a condition of giving licence holders more authority over access and allocation decision making, DFO could recognize current sharing arrangements in the commercial fishery and establish shares for longer terms in existing fisheries, within the context of requirements for the increased Aboriginal participation in the commercial fisheries.
- In making access and allocation decisions, it is important to consider the interests of other resource users, including aquaculturists and recreational users.
- Access and allocation decision-making processes should be more transparent than they are now.

4.5.1 Definitions

Access: the opportunity to harvest or use the fisheries resource, generally permitted by licences or leases issued by DFO under the authority of the Minister of Fisheries and Oceans. Opportunities are affected by the requirement of DFO to take into account Aboriginal and treaty rights to fish when providing those opportunities.

Allocation: the amount or share of the fisheries resource or allowable catch that is distributed or assigned by the Minister of Fisheries and Oceans to those permitted to harvest the resource.

4.5.2 Issues

The current *Fisheries Act* authorizes the Minister to issue licences or leases to harvest or use the fisheries resources. The Minister must take into account relevant considerations in making these decisions while ensuring his/her legal responsibilities with respect to conservation are met and that compliance with obligations concerning Aboriginal groups and international treaties.

This absolute discretion of the Minister to provide access to wealth from the fisheries, that is, the authority to alter existing shares or arrangements or to issue new fishing licenses, is extraordinary within the Canadian system of government and is seen by many as a primary source of conflict and instability in the industry.

There are several related sources of tension.

- There is a concern that the objectives or principles that govern allocations are unclear. Factors such as adjacency and historical

dependence are taken into account, but there is no consistency in the application of these criteria.

- The way that communities or individuals might wish to use fisheries resources can change over time. For example, marine resources and habitats were once almost exclusively used for commercial fishing, but today individuals and businesses are seeking access to the resource for a variety of other uses, including aquaculture, recreational fishing and marine tourism. There are currently no mechanisms in place for discussing and deciding on alternative uses of the resource, apart from direct appeal to the Minister.
- There are controversies about access and sharing arrangements throughout the commercial fishery. In some cases, there is a concern about the perceived fairness of particular allocations and/or sharing arrangements, and about their duration. A few allocation arrangements are the focus of continuing disputes between different interests in the commercial fishery.
- Because access to wealth in the form of fishing opportunities is distributed at the discretion of the Minister, it is not uncommon for people to try to improve their chances by lobbying the Minister and the Department. This generates criticism that decision making is "political." The current process is seen as creating winners and losers and gives rise to discontent and protests.
- The perceived vulnerability of the allocation process to lobbying and the perception that decisions are "political" undermine the integrity of the fisheries management system. The legitimacy and credibility of co-management processes such as IFMPs are threatened by widespread cynicism about allocation decisions.

4.5.3 Access and Allocation Principles

The following five principles provide a foundation on which to develop new policy mechanisms designed to overcome the current problems associated with access and allocations.

- On behalf of all Canadians, DFO will work with interested parties to make decisions on the best use of fisheries resources that are consistent with conservation objectives and legal obligations.
- Aboriginal fishing for food, social and ceremonial purposes will continue to have priority after conservation requirements.
- The access and allocation process must be, and must be seen to be, fair, transparent and subject to clear and consistent rules and procedural requirements.
- Commercial licence holders should play a more direct and central role in access and allocation decision making pertaining to the commercial share.
- DFO should develop clear criteria to enable marine recreational and aquaculture entry into fisheries, consistent with best use.

4.5.4 Policy Elements

4.5.4.1 The Determination of Best Use

DFO manages the fisheries resource for the benefit of all Canadians. Government must establish processes that allow input into decisions on the best use of the resource for the benefit of Canadian society. Best use might include fishing by Aboriginal groups, commercial fishing, aquaculture, recreational fishing and ecotourism, to name a few. It might also mean leaving available resources untouched to protect biodiversity or to support recovery of a dependent stock.

By definition, best use must conform to conservation objectives and be sustainable. The determination of the best use of the resource also includes deciding which uses are most appropriate in terms of environmental, economic and social consequences, and which provide the most benefits to Canadian society. Such criteria could determine who would gain access to the resource.

Currently, the commercial fishing industry holds almost all allocations of fisheries resources. In the future, other uses of the resource may increasingly be considered. For example, access to wild stocks for recreational use and for aquaculture may provide important economic opportunities and social benefits from the Atlantic coast fisheries and could be more actively considered in future access and allocation decisions. To make any changes to current arrangements, it would be necessary to establish a process whereby the public or alternative users, such as aquaculturists, recreational users or marine tour operators, might have input into access and allocation decision making. Any process established to deal with access and allocations must be fair, open and transparent and be so perceived.

DFO manages fisheries in a manner consistent with the constitutional protection given Aboriginal and treaty rights. Once the Department decides that a harvestable surplus of a given species or stock is available, Aboriginal rights to fish for food, social and ceremonial purposes takes precedence over other resource uses. Moreover, the fisheries must be managed in a manner that is consistent with the provisions of treaties and land claims agreements.

4.5.4.2 Providing Stability and Predictability in the Commercial Allocation Process

Disputes and uncertainty over access and allocation of the resource and how these decisions are made continue to impede progress on other initiatives. To add additional stability and predictability to the access and allocation process it will be necessary to develop a fair and transparent process for making decisions in this area, building on processes already in place.

- As a first step, it may be necessary to document and stabilize existing sharing arrangements. This could mean recognizing current sharing arrangements, with some exceptions, and fixing fleet shares for longer terms.
- As a second step, it may be important to establish clear and consistent rules and procedures for making allocation decisions, particularly where there are substantial changes in resource abundance. These may differ depending on the different types of fisheries but in each case the rules and criteria will need to be clearly defined and consistently applied to those applicable fisheries.
- A third step may be to establish a process for addressing allocation issues, which may arise in the future. This step would have to consider how these issues would be resolved, including who would be involved and what criteria would guide decision making.

These steps are elaborated in the following sections.

4.5.4.3 Step 1: Stabilizing Sharing Arrangements in Established Commercial Fisheries

In fisheries where allocation arrangements already exist and the resource is relatively stable, we could aim for greater stability in commercial allocations over the long term. In other words, the same fleets/licence holders could count on getting the same proportion of the total allowable catch each year. Fisheries management plans could recognize and respect current arrangements and historic fleet shares. Being assured of a set proportion of the total allowable catch could allow stakeholders to build their own future agreements or innovative sharing arrangements through regular integrated fisheries management planning processes. The IFMP decision-making process is described in detail in the Governance section of the document.

The goal is to move away from renewing arrangements each year and to offer longer terms for fleet shares and allocations. Where allocation arrangements continue to result in disputes within the commercial fisheries, it may be necessary to use an alternative decision-making process to find longer-term resolution.

There are established commercial fisheries where important changes in the status of the resource need to be taken into consideration. One of those situations involves reopening closed fisheries. In recent years, Ministers have noted that historic fleet shares reflect past participation in and dependency on the fisheries and it is appropriate that they be respected as closed fisheries are reopened. Although reopening fisheries

may include changes in gear use, members of the fleet sector could have the option of harvesting a fleet's historic share with a permitted gear type. In the case of northern cod, however, previous Ministers have promised that the inshore sector will be granted priority over other sectors until the cod landings of the inshore fleet return to historical levels.

4.5.4.4 Step 2: Developing Clear and Consistent Rules and Procedures to Accommodate Changes in Fisheries

In fisheries where there has been a substantial increase or decrease in resource abundance and/or in landed values, it may be appropriate to reopen the allocation arrangements. In a "boom" fishery, there might be solid reasons to issue new licences and/or allocate new quotas on either a permanent or a contingent basis. In a "bust" fishery, decisions might be made to not reissue licences or to restrict certain resource shares. Given the controversies that attend such decisions, clear and consistent rules and procedures need to be put in place to facilitate orderly and equitable decision making.

Current participants in such fisheries might wish, as part of their integrated fisheries management planning process, to establish guidelines for determining when, or if, they would consider different sharing arrangements or new entrants into their fisheries. Such a process could lead to the development of longer-term fishing plans, thus providing more stability in allocation. If fishery participants are unwilling to do this, or if the process fails, then outside arbitration or other independent, arm's-length mechanisms could be used.

When a resource shrinks, questions arise over how the decrease in allocations should be apportioned. Some have suggested that in the case of fisheries that have expanded and then contracted, the "last in / first out" principle should be applied. Others argue one fleet sector, or use, should have priority over another. The rules governing a decrease in the resource should be determined before a decline.

The following principles are illustrative of some criteria that have been or could be used to share quota increases; they should not be read as all-inclusive.

- Conservation is the first priority.
- The viability of existing enterprises should not be jeopardized.
- There should be no permanent increase in harvesting capacity.
- Those adjacent to the resource should have a priority for new access.

In applying such an approach more generally, other criteria could be considered, including historical dependence, fairness and equity, and the viability of new entrants.

The most difficult and controversial allocation issues are those involving access to highly lucrative fisheries. When stock abundance expands significantly and landed values are strong, harvesters without licences in the particular fishery push for access. Moreover, groups already in the

fishery will seek to benefit exclusively from increased abundance. In such situations, all who are competing for access are playing for high economic stakes, and they generate tremendous pressure on decision-making systems.

The issues involved here are complex. On the one hand, harvesters who participate in a fishery over the long-term experience the ups and downs of market demand and stock abundance and can legitimately expect to be the prime beneficiaries of the good years. This is particularly the case if their investments in conservation and good management have contributed to the enhanced value of the fisheries.

On the other hand, the best use of an abundant resource may be to provide economic opportunities for a larger number of enterprises. This would apply in situations where the available resource clearly and consistently exceeds what is needed to maintain economic viability (including reasonable profit levels) for the enterprises already in the fisheries.

In developing a consistent and credible system of rules to govern allocations in such circumstances, clear and consistent criteria would be needed to determine when there is a resource surplus. Objective criteria relating to magnitude and sustainability should be used to define what constitutes a surplus, and rules need to be adopted to govern how termination or temporary access will occur.

Emerging Fisheries

Once it has been established that exploitation of a previously unused resource is commercially feasible and biologically sustainable, the following criteria could be established for allocations decisions.

- Priority in an emerging fishery would be given to the harvesters who had done the exploratory work.
- In the less-than-65-feet fleet, allocations would be granted to those enterprises and fishermen designated as "core."
- Proximity to the resource would generally apply for the less-than-65-feet fleet.
- Allocation decisions would be based in part on the appropriateness of vessels and gear (i.e., their economic efficiency, technical capabilities and safety considerations).

4.5.4.5 Step 3: Future Changes in Access and Allocation Decision-making Processes

There is the ongoing issue of what role DFO and the Minister should play in the access and allocation process. Government will need to continue to be involved in determining what constitutes "best use," but over time, DFO wants to remove itself from decision making concerning commercial allocations of the resource. A condition for DFO removing itself from allocation arrangements will be the establishment of appropriate rules and documentation of the shares held by individuals and fleets as discussed in the previous two sections.

Beyond this, an effective alternative decision-making process to DFO could give more credibility and legitimacy to access and allocation procedures. Stakeholders will want to know who is making such decisions, whether the decision makers have sufficient expertise and experience to make good, consistent judgements, and whether the process is fair and transparent. Such processes will not be credible and will not contribute to order and stability in the fisheries if stakeholders believe decisions are influenced by lobbying and political interference.

For these reasons, the institutional arrangements for decision making on allocations should be re-examined. The need to further stabilize the Atlantic fisheries and to develop effective conservation and co-management demands an orderly and co-operative policy environment. This cannot be achieved unless decision making on access and allocations is made more stable and predictable. Any new procedure established to deal with access and allocations, whether it involves stakeholders working through the integrated fisheries management planning process at the community or fleet level, or the establishment of an independent, arm's-length mechanism, would need to be fair, transparent and open.

One option is for industry itself to take over allocation decision making as the integrated fisheries management planning process evolves and to do so with local groups or fleets, possibly using their own dispute-settlement mechanisms. Before this could happen, however, existing sharing arrangements in the commercial fisheries would need to be documented, criteria for dealing with commercial fishery categories would need to be developed and mechanisms would have to be in place to address issues related to best use of the resource. Industry decision-making processes would need to include guarantees of fairness, transparency and due process, and there would have to be ways of limiting how decisions by one group affect others.

Where industry groups are unable or unwilling to develop and support such processes, or when particular issues generate insurmountable differences between groups, it may be necessary to establish a default position other than the current appeal to the Department and the Minister. This could take the form of an independent, arm's-length mechanism to make decisions based on clear policy and criteria.

Any movement in this direction will take time. Allocation rules need to be established, sharing arrangements need to be fixed for longer periods of time, and licence holders need to feel comfortable with new rules and responsibilities.

4.5.5 Discussion Questions

1. What changes would make it possible for DFO to allow licence holders and other resource users to play a more direct role in commercial access and allocation decisions?
2. Should we recognize current sharing arrangements in the commercial fisheries and establish shares for longer terms in existing fisheries?
3. What should be the process for considering the best use of fisheries resources?
4. What is needed to establish clear and consistently applied rules, criteria and processes for access and allocation decision making?
5. Should guidelines for commercial access and allocations be determined along the lines of the fishery categories proposed in this section of the paper, that is, established or emerging?
6. Has this discussion paper adequately considered the interests of non-commercial groups in the access and allocation process?

4.6 Governance

Key Points

- Decisions and responsibilities that were once the exclusive purview of DFO would become shared with licence holders; DFO would delegate aspects of day-to-day fisheries management to fleets and licence holders where feasible and appropriate.
- DFO's role should change to focus on:
  - setting policy and strategic direction,
  - providing sound scientific advice,
  - determining conservation goals and requirements,
  - determining access to fisheries resources based on legal obligations and best use, and
  - ensuring compliance with fishery rules.
- The fisheries management planning system should be structured to provide opportunities for meaningful input from individuals who are not direct resource users, but who have a tangible interest in the fishery or speak for the wider public interest.
- The fishing industry must increase its management capacity and expertise.

4.6.1 Issues

The term "governance" refers to the various systems of authority and decision making in fisheries management. It goes beyond what government does to include the participation of industry and other stakeholders in consultation and planning processes.

The established pattern of governance in many parts of the Atlantic fisheries is that DFO still makes the decisions on everything from local opening and closing dates to quota management systems and allocations, as required by legislation. Industry stakeholders are consulted and give advice within particular fisheries, but have a limited role in the wider policy process. Often when there are conflicts among industry groups, the parties urge DFO and the Minister to step in and resolve them, rather than trying to settle problems among themselves. The Department establishes the rules and makes the final decision at virtually every level in the system.

DFO wants to move away from a top-down approach toward greater sharing of responsibilities and accountability with resource users. By the same token, many fish harvesters are demanding greater control over their day-to-day operations and greater influence over the overall management of the industry.

In the reforms of the 1990s, DFO introduced the integrated fisheries management planning process as a means of integrating the advisory

committee system with the existing management planning system. As well, contractual arrangements were used to share management responsibilities with industry organizations where there was agreement among their members on how the fisheries were to be managed at the community or fleet level. The eventual goal was to develop more comprehensive and longer-term agreements.

In 1992, the Department introduced the Aboriginal Fisheries Strategy (AFS), which provides a framework for agreements between the federal government and First Nations and other Aboriginal organizations about fisheries access and management.

During the past decade, DFO also introduced changes to its science advisory processes, for example, by creating the Regional Advisory Process (RAP) and the Fisheries Resource Conservation Council (FRCC) to integrate the observations and views of the fishing industry into the stock assessment process.

One area of concern is that organizations that represent multi-licence harvesting interests feel they are excluded from co-management processes because IFMPs are implemented on a fleet-by-fleet or fishery-by-fishery basis. As well, harvesters who don't hold licences in particular fisheries, and other groups such as recreational fishermen, are looking for more effective ways to participate in IFMPs and the wider management policy and planning system.

As discussed above, there is also the issue of public interest representation. Local community organizations, employers and workers in the fish and seafood processing sector, local and provincial governments, environmental and animal rights groups and other users of the marine environment may sometimes look for opportunities to participate in fisheries management decision making.

4.6.1.1 Defining Co-management

Government and industry have talked about co-management since the 1970s, but the concept has undergone an evolutionary maturation.

In the initial stages, the emphasis was on effective consultation processes through advisory committees for individual fisheries and through ad hoc policy and planning conferences. In the 1990s, co-management took the more specific form of IFMPs and joint project agreements to share management responsibilities in particular fisheries. In the minds of many in the industry, the co-management approach was associated with shifting some of the costs of management to resource users. It should be noted that the AFS is a form of co-management and has been in place for a number of years.

Today, the Department recognizes that efforts to share management responsibilities and costs with resources users on a fishery-by-fishery basis have to be supplemented by an expanded role for resource users in

overall policy and planning. To this end, we offer the following definition:

Co-management
The sharing of authority and responsibility for fisheries management, and of accountability for results, between DFO and resource users.

4.6.2 Principles for Fisheries Management Governance

The following three principles seek to move fisheries management into a new era of collaboration and shared stewardship by bringing the focus of decision making closer to resource users and by accommodating the interests of different stakeholders.

- Decision making in fisheries management should ensure that all participants share responsibility for a sustainable fishery through their participation and effective representation at every level of the fisheries management system.
- Management decisions affecting a particular fishery will normally be made as close to that fishery as possible and, as a first step, will primarily involve local resource users. Licence holders must consider and attempt to accommodate the interests of other stakeholders; when prospective fisheries decisions are likely to affect interests other than those of a particular fleet or local area, these decisions must be reviewed and approved at a higher level in the system.
- Planning and decision making in the fisheries management system must provide opportunities for meaningful input from individuals who are not direct resource users but have an interest in the fishery or represent a broader public interest.

4.6.3 Policy Elements

4.6.3.1 A Focused Role for DFO in Decision Making

Over the medium to long term, DFO's role should be to set policy and provide long-term direction and have less involvement in operational details. Many more decisions should therefore come through new processes involving industry, provinces and other stakeholders (see section 4.6.3.4). To move in this direction DFO could take either of the approaches outlined below, or a combination of the two:

- *Shared responsibility*: the Department could work with industry groups, Aboriginal groups and other interests to facilitate informed multistakeholder decision making and consensus building through IFMPs and regional and cross-regional policy processes;
- *Delegated authority*: the Department could delegate specific areas of decision-making authority to defined groups for defined periods of time and within specified limits and operational guidelines.

The rationale for new decision-making arrangements and sharing stewardship would be to:

- enable the Department to focus its efforts on providing sound scientific advice, determining conservation goals and requirements, auditing fleet performance and enforcing fishery rules, and establishing processes to decide on resource access for such uses as harvesting by Aboriginal groups, commercial fishing, recreational fishing, ecotourism and aquaculture;
- find a common approach and process for addressing the self-management and decision-making interests of both Aboriginal groups and other user groups; and
- enable the fishing industry to assume greater responsibilities in fisheries management activities and decision making in areas related to local allocations and internal fleet shares, co-ordination of different fleet sectors and fisheries, and the preparation and implementation of fishing plans on the local, regional and cross-regional levels.

Who's involved in fisheries management decision making

Fisheries management policies will be important to all groups, organizations and individuals that have an interest in Atlantic coastal fisheries. The Department will develop the policy framework with input from stakeholders, the public and the four Atlantic Provinces, Quebec and Nunavut consistent with the provisions outlined in the Agreement on Interjurisdictional Cooperation.

Since the principal focus of this discussion document is on the harvesting of the resource, the main group affected by the fisheries management policies will be those that have access to the fishery, the Aboriginal and non-Aboriginal licence holders. However, it is imperative that the views, concerns and suggestions of other groups be factored into the decision-making process at appropriate levels.

Other important parts of the fishing industry are the processing sector and those who work as fishing crews. Processing interests must play an active role in the decision making process and their views and advice on policy matters needs to be factored into the discussion. Further, plant workers and deck hands and crew members of fishing vessels provide important perspectives and bring knowledge to the discussion.

Another group of interests with a role to play in parts of the fisheries management decision making process are recreational fishers, aquaculturists, eco-tourism operators and others who may represent new or alternate uses of the resource. Who has access to the resource and how it should best be used are pressing issues and will increasingly be considered in future fisheries decision making.

Finally, other interests, including communities, conservation groups, academics and the general public will want to have input into the overall direction of fisheries management and will want to participate in some parts of the decision-making process.

Mechanisms and processes, building on those already in place, will have to be developed to allow for the involvement of all interests in the fisheries management decision-making process.

There is a need for a more inclusive and participatory approach to fisheries management based on the following elements:

- build on the positive functions of the current advisory committee system;
- continue to develop IFMPs for all fisheries;
- expand the decision-making functions of the integrated fisheries management planning process and facilitate participation by other interests on issues related to the management of local fisheries;
- develop opportunities for stakeholder participation in policy and decision making at the regional and cross-regional level to supplement and support the ecosystem approach as part of the management under local IFMP arrangements;

- find ways to identify and formally recognize legitimate industry groups that are accountable to their members;
- develop the ability of industry organizations to take on added management responsibilities; and
- apply the principles of co-operation established in the Agreement on Interjurisdictional Cooperation endorsed in 1999 by the Canadian Council of Fisheries and Aquaculture Ministers.

4.6.3.2 The Integrated Fisheries Management Planning Process

The IFMP is the first level of provincial and stakeholder participation in the management of the fisheries. The overall goal of the IFMP policy is to produce more comprehensive, longer-term plans for each fishery. This would be achieved by integrating the activities and specialised knowledge of every DFO sector involved, and by consulting fully with appropriate industry groups, provincial government agencies and other stakeholders.

The integrated fisheries management planning process is intended to generate meaningful consultation and more transparent decision making on resource allocations, management systems (e.g., competitive fisheries, individual quota management, local management boards) and conservation harvesting plans.

Under the current *Fisheries Act*, integrated planning cannot displace or limit the absolute discretion of the Minister over final conservation and resource allocation decisions. As a result, groups who do not agree with a resource management decision taken within an integrated fisheries management planning process may try to change it through the Minister directly or the Department.

In principle, any interest group could come forward in the current system and propose changes in allocations or other management arrangements and have it considered by the Department and the other stakeholders. This might include people from outside the commercial fisheries who want in, or proposals from public interest groups for non-commercial uses of resources. In practice, the consultations usually focus on the traditional advisory committees made up of participants in the commercial fisheries.

Except in very specific instances, the integrated fisheries management planning process, as currently construed, does not provide an adequate or appropriate vehicle for wider decision making on best use of marine resources. IFMPs focus on the management of particular species in particular locations. Efforts to address inter-species relationships, habitat issues or larger fisheries management concerns that cross over different fisheries and fleet sectors are effectively beyond the reach of integrated fisheries management planning processes. The challenges would be to make the IFMP process work locally and to expand it to include other interests.

4.6.3.3 Making the Integrated Fisheries Management Planning Process Work Locally

To the greatest extent possible, issues should be resolved locally or within fleets, ensuring that there is no negative impact on conservation or on other interests. Where decisions by one group affect other fish harvesters or community interests, the affected parties should have a say before decisions are made. If an issue involves the commercial fisheries only, then in principle the licence holders should have the main voice. There would need to be an expanded process when issues go beyond the commercial fisheries to involve other interests.

It is proposed that resource users make greater use of the integrated fisheries management planning process and other participatory mechanisms so that users can play a greater role in:

- allocations within fleets or defined communities of fishing interest;
- design of fishing plans and strategies to achieve sustainable harvesting levels on an ecosystem basis (e.g., seasons, limits, individual allocations vs. competitive fishery, by-catch controls, co-ordination with other fisheries);
- implementing fishing plans and strategies, including catch monitoring and enforcement;
- the registration and licensing of harvesters in the group (subject to no net increase in harvesting capacity);
- developing industry control and sanction mechanisms;
- evaluating the results of IFMPs and CHPs;
- participating in the stock assessment process and data collection; and
- advising on issues of broader concern.

The existing integrated fisheries management planning process brings together all the resource users and other stakeholders in each fishery. DFO is proposing that a fair, open and transparent process be developed to enable those potentially affected by local fisheries management issues to participate in decisions about the fishery.

It is important to add that this direction envisages co-operation with Aboriginal communities. Ideally, Aboriginal communities should participate actively in the integrated fisheries management planning process to achieve a consistent direction for fisheries in their area. In any event, Aboriginal fishing activity would be factored into the integrated fisheries management planning process.

4.6.3.4 Moving Beyond Local Management and the Integrated Fisheries Management Planning Process

When fisheries management issues are broader in scope than the integrated fisheries management planning process can handle, or when decisions could affect resource users who aren't traditionally part of the integrated fisheries management planning process, it is necessary to establish an expanded advisory and decision-making process.

Broader Fisheries Management Issues

The expanded integrated fisheries management planning process outlined above should deal with most issues in the commercial fisheries. However, there are times when issues are broader than those normally considered by the integrated fisheries management planning process or affect interests other than those of the fishery in question. In such situations, it may be appropriate to establish additional decision-making mechanisms or to expand the role of the already existing advisory processes. There is a need to co-ordinate activities among different fleets and regions and to provide an opportunity for the industry itself to make decisions on aspects of Atlantic-wide fisheries management policies.

This should not be seen as an additional level of bureaucracy. Proposals from legitimate stakeholder groups to change wider fisheries management policies might trigger a process according to a predefined set of guidelines. The ensuing process would involve appropriate input from Aboriginal groups, processors, provincial governments and other stakeholders, in addition to legitimate harvester groups and organizations. The process would be structured enough to provide consistency on policies that have broad application while permitting some degree of flexibility to accommodate established patterns in different industry sectors and regions.

Participating in the Science Advisory Process

The advisory process on conservation and science issues should continue to evolve toward more effective stock assessment and advice, and greater industry buy-in.

The Regional Advisory Process (RAP) was introduced in 1993 to provide technical knowledge and advice to management on the conservation requirements for fisheries resources. The RAP provides a forum for scientists and stakeholders to meet to discuss and peer-review scientific results and analyses on the status of fish stocks and their environment.

The FRCC works collaboratively with government, the scientific community and the direct stakeholders in the fisheries. Its mission is to contribute to the sustainable management of the Atlantic groundfish fisheries by providing recommendations on stock assessment and other science programs.

In formulating its advice to the Minister, the FRCC is responsible for ensuring that the operational and economic realities of the groundfish fisheries are taken into account, that scientific expertise is integrated with

the knowledge and experience of all sectors of the industry, and that there are effective mechanisms for public and industry advice and review of stock assessment information.

In all fisheries, it is important to continue to promote transparency and involvement by both industry and the public in the advisory process on conservation and science issues.

Factoring in Oceans Use

Among other things, the *Oceans Act* calls for the establishment of integrated coastal zone management. In the spirit of the *Oceans Act*, and in keeping with long-term objectives of linking fisheries management with broader interests in Canada's oceans, new mechanisms will need to be established to provide for integrated management of marine areas through multistakeholder planning and decision-making processes. IFMPs could evolve to become part of such a structure. This process may be particularly important in providing policy advice to government on controversial oceans-related issues.

Such a process would most likely require an integrated, cross-regional process involving all groups to inform stakeholders and to facilitate multistakeholder consultations on broad issues related to oceans use.

4.6.3.5 Conflict Management

To be consistent with the proposed governance principles, local issues and conflicts should be resolved locally. An open and transparent decision-making system needs mechanisms for resolving conflict. Sometimes conflict can be resolved through the local management process; at other times, licence holders and other resource users should have access to mediation, arbitration or other dispute-settlement processes.

4.6.3.6 Costs of Managing the Fisheries

Resource users should pay a fair charge for the privilege of gaining access to a public resource. However, a self-reliant, economically viable, professional fishing industry is one that is also able to help finance the management of the fishery. Cost recovery and user-pay arrangements can provide important incentives for properly conserving and making effective use of the fisheries resource. How costs should be calculated and what proportion of them should be borne by the industry are important questions. These questions will be the focus of discussions between DFO and those who receive a private benefit from the use of a public resource. Separate processes outside the AFPR will be used to advance and explore these issues.

4.6.4 Discussion Questions

1. Should licence holders and fleets become increasingly responsible for their own decisions? Which responsibilities should be shared? Under what circumstances? Which responsibilities should be delegated? Under what circumstances?
2. Is the integrated fisheries management planning process a reasonable starting point for building local management of the fisheries? Can the integrated fisheries management planning process be expanded to consider the interests of other users such as Aboriginal groups, recreational fishermen and aquaculturists?

5. Summary and Conclusion

5.1 Purpose of the Discussion Document

This document is not the new Atlantic fisheries policy framework. It is intended to serve as a springboard for public discussion and debate. The actual policy framework, scheduled for completion later in the year, will synthesize the responses to this paper and other ideas gathered during public consultations with industry, provincial governments, Aboriginal groups and other stakeholders.

5.2 New Directions for the Atlantic Fisheries

The new decade offers possibilities to build a much more positive and stable environment for fisheries management. The fishing economy is stronger overall than it was a decade ago, and the painful adjustments after the groundfish collapse are largely behind us. New structures for stakeholder participation in planning and decision making have been developed. And government, industry, Aboriginal groups and others are learning to work together in an environment of growing public participation in fisheries management decision making. There also appears to be a general willingness among stakeholders to accept more responsibility and accountability for the management of the fisheries. DFO sees its role as setting the legislative and policy frameworks that can make this transition possible. Key elements of this framework are conservation, shared stewardship and orderly management.

Conservation will come from agreement among governments, industry groups, Aboriginal groups and other stakeholders on sustainability objectives, and from the active commitment of all parties to the pursuit of shared fisheries management goals.

Orderly management in the Atlantic fisheries will come from the development of a more stable and transparent allocation process that is seen by stakeholders as consistent, fair and credible.

Shared stewardship in fisheries management will come from the continuing development of structures for participatory decision making, an agreed division of responsibilities and clear lines of accountability for those responsibilities. Another enabling condition will be to build capacity among fishing industry organizations to take on added responsibility for fisheries management.

5.3 Clear Roles and Shared Responsibilities

Under the current legislative regime, DFO, on behalf of the Government of Canada, is responsible and accountable for all fisheries management decisions, including assessing the stock, establishing the total allowable catch, developing and implementing fishing plans, and evaluating results. More recently, with the adoption of the co-management approach, certain responsibilities that were once the purview of the Department are now shared with the fishing industry. The Department envisages a further progression along this continuum as we evolve from sharing management responsibilities and decision making with the fishing industry to delegating management responsibilities and making resource users accountable for the decisions they make.

To move in this direction it will be necessary to clarify roles and responsibilities for the various participants in fisheries management, including federal government Departments and agencies, provincial and territorial governments, Aboriginal groups, and other resource users. It will also be necessary to develop a new set of relationships between them.

Given that fish resources are part of the natural heritage and common property of all Canadians, the Department will continue to be responsible for conserving these resources. The public interest demands that living marine resources and their habitats be protected and that Canadians continue to be able to enjoy these resources in perpetuity. The Department will also be responsible for managing the sustainable exploitation of these resources so as to provide economic benefits to Aboriginal communities, the fishing industry and the public at large. Certain other government responsibilities cannot be delegated. They include upholding Canada's international obligations and commitments, working with international bodies such as NAFO and ICES to represent the interests of Canadians, patrolling the fisheries within Canada's 200-mile exclusive economic zone and enforcing international rules. Constitutionally, DFO is also responsible for ensuring that the fisheries are managed in a manner consistent with the protection given Aboriginal and treaty rights.

There are also certain spheres of activity that are critical to the achievement of Departmental objectives, but for which the Department does not have the resources or authority to act unilaterally. One such example is the move to professionalize fish harvesters, that is, develop professional qualifications for those wishing to enter the industry. To pursue these policy priorities, DFO will need to work with other government Departments and agencies, other levels of government, industry and other resource users to develop comprehensive policy responses to complex problems.

With the exception of these fundamental responsibilities, many important areas of decision making, including allocation, licensing and quota

management, could gradually be taken over by stakeholders working together. DFO's role could be to help create the conditions for effective communication and problem solving and to facilitate and support informed multistakeholder decision making.[4]

This will mean focusing DFO's mandate on:

- providing sound scientific advice, determining conservation goals and requirements with participants, and ensuring compliance with these goals;
- establishing an orderly management system in which participants share responsibilities and decision making with the Department and accept responsibility and accountability, where feasible and appropriate, for many aspects of day-to-day fisheries management;
- strengthening the structures and processes that will enable resource users and other stakeholders to play a more active role in fisheries management planning and decision making, and facilitating their participation; and
- strengthening conservation rules and ethics and promoting the sustainable use of fisheries resources to protect and expand the economic and social benefits generated by the Atlantic fisheries.

DFO is determined to reduce the long-standing conflicts and instability associated with access and allocation decisions and other matters. It is hoped that the directions proposed in this paper will help to create a policy environment in which stakeholders find their needs and interests well supported by the Department. We hope that the AFPR will spawn a new and positive fisheries management culture and usher in new era of public-private sector co-operation in Canada's fisheries.

5.4 Your Input

The purpose of this document is to generate debate and discussion. Earlier in this document we asked you to consider two fundamental questions:

- Do the broad directions and principles outlined in this document reflect the direction you support for future fisheries management? If not, what other approaches, goals or principles do you believe should be emphasized?
- What are the barriers to adopting the proposed direction and principles, and how can these barriers be overcome? What, if anything, needs to change to make the adoption of the proposed direction possible?

We are anxious to hear your answers to these and other questions posed in this document. We are also interested in your thoughts and observations on the general directions proposed in this paper and on our analysis of the future of fisheries management.

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[4] See Appendix 2 for more detail on proposed roles and responsibilities for DFO, other federal Departments and other governments, Aboriginal communities with an interest in the fisheries, resource users and others.

There are several ways you can offer your comments:

5.4.1 Attend Our Public Consultations

Public consultations will be held during March and early April in 2001. Call toll free at 1-866-2 DFOMPO (1-866-233-6676) or visit our Web site at www.dfo-mpo.gc.ca/afpr-rppa for a complete schedule of dates and locations.

The consultations will focus on the questions and issues raised in this discussion document. Comments, presentations and discussions should be limited to the principles and broad direction for Phase I of the policy review.

The consultation sessions will give priority to groups and individuals that wish to make brief presentations. However, there will be opportunities for public comment and discussion at each of the consultation sessions. If you wish to make a short presentation and secure a place on the agenda, you may register by contacting:

The Atlantic Fisheries Policy Review
200 Kent Street
Ottawa ON K1A 0E6
Phone: (613) 990-3942
Fax: (613) 990-4111
E-mail: afpr-rppa@dfo-mpo.gc.ca

5.4.2 Write to Us

If you prefer to offer written comments, you may write to us before May 31, 2001, at the following address:

Atlantic Fisheries Policy Review
200 Kent Street
Ottawa, Ontario
K1A OE6

5.4.3 Contact Us by E-mail

If you prefer to contact us electronically, you may forward your comments to us at afpr-rppa@dfo-mpo.gc.ca before May 31, 2001. You may wish to visit our Web site at www.dfo-mpo.gc.ca/afpr-rppa.

5.5 Next Steps

After the public consultations, we will begin to develop a new policy framework for the Atlantic fisheries. We will consider the comments and discussion from public consultations, comments contained in written submissions and advice received by e-mail.

This policy framework will commit the Department to a set of principles that will guide the management of Atlantic coast fisheries over the long term.

The policy framework is expected to be completed by Summer/Fall 2001.

The second phase of the policy review will begin later next year. Phase II will generate operational plans for implementing the new policy

framework. This may include developing specific policy instruments, defining roles and responsibilities, and establishing plans for evaluating the results.

For additional information on the AFPR and for further details about consultations or new developments concerning the policy framework, please visit our Web site at www.dfo-mpo.gc.ca/afpr-rppa.

Appendix 1

Glossary

Appendix 1 Glossary

For the purpose of this document, the following definitions apply.

- **Aboriginal groups or communities**

"Aboriginal groups" or "Aboriginal communities" include Indian bands or groupings of bands, Aboriginal organizations and territorially based Aboriginal communities in the four Atlantic provinces, Quebec, and Nunavut.

- **Access**

The opportunity to harvest or use the fisheries resource, generally permitted by licences or leases issued by DFO under the authority of the Minister of Fisheries and Oceans. Opportunities are affected by the requirement of DFO to take into account Aboriginal and treaty rights to fish when providing those opportunities.

- **Allocation**

The amount or share of the fisheries resource or allowable catch that is distributed or assigned by the Minister of Fisheries and Oceans to those permitted to harvest the resource.

- **Aquaculturist or Aquaculture site operator**

A person who practises the controlled cultivation and harvest of aquatic plants or animals (e.g., edible marine algae, clams, oysters and fin fish). Aquaculture site operators must have approved leases from DFO or provincial Departments with responsibility for fisheries and aquaculture.

- **Biodiversity**

Biodiversity, also known as biological diversity, is the variability among living organisms from all sources, including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

- **Commercial fisherman**

Any person who participates in an authorized commercial fishery, including skippers and fishermen's helpers.

- **Community**

Community refers to a group of people with common interests living in a particular area. A "community of interest" refers to a group of people with common interests who may or may not reside in the same area.

- **Competitive fishery**

A competitive fishery is a fishery where the allowable harvest is assigned to a group of licence holders, whose combined harvest must not exceed the amount or share assigned to that group.

- **Conservation harvesting plans (CHPs)**

Plans that describe the sets of conservation measures and requirements established for a fishing sector or group and approved by DFO before the fishing season begins. CHPs are part of the integrated fisheries management planning process. They are currently used in groundfish fisheries and some other fisheries, but are not in use in all fisheries at this time. See integrated fisheries management plan (IFMP).

- **Core policy or core licensing policy**

This refers to the "core" designation within the *Commercial Fisheries Licensing Policy for Eastern Canada — 1996*. This limits participation and entry in the less-than-65-feet sector to individuals who meet certain criteria so that the total number of core fishermen or participants in a fishery remains the same. To qualify as a member of the core group, a licence holder was required, as of December 20, 1995, to meet the following four criteria:

(a) be the head of an enterprise;

(b) hold key licences (or, for some Scotia-Fundy fishers, a vessel-based licence);

(c) have an attachment to the fishery; and

(d) be dependent on the fishery.

- **Ecosystem**

A dynamic complex of plant, animal and micro-organism communities and their nonliving environment interacting as a functional unit.

- **Enterprise allocation**

The amount of fish from a particular stock allocated exclusively to a licence holder, usually a corporation. Such an allocation would normally apply to vessels longer than 65 feet.

- **Fisheries resources**

Populations of fish, shellfish, mammals and plants that sustain harvesting.

- **Fishing industry**

This term refers primarily to the commercial fishery, although the term fishing industry includes sectors such as processing and aquaculture and sport fishing operations. It may also include Aboriginal fisheries. In the discussion document, the fishing industry is often referred to as "the industry."

- **Fishing licence**

This is an instrument by which the Minister of Fisheries and Oceans, pursuant to his discretionary authority under the *Fisheries Act*, grants permission to a person, including an Aboriginal organization, to harvest certain species of fish or marine plants subject to the conditions attached to the licence. This is a temporary grant; licences are issued for a fixed period, usually annually.

- **Fishing plans or integrated fisheries management plans (IFMPs)**

Fishing plans in general provide a description of fishery management measures and allocations, and lay out the rules for fishing during a specified period of time, for a certain species, in certain areas or for a particular fleet. Integrated fisheries management plans (IFMPs) build on the overall management plan and incorporate conservation, management and scientific requirements for a fishery and also spell out the process and implementation of resource management, conservation and protection measures. IFMPs also define processes for conferring with clients and stakeholders and define responsibilities and roles of all parties. See also conservation harvesting plans (CHPs).

- **Fleet**

All the fish harvesters who fish out of the same allocation.

- **Genetic Diversity**

A property of a species, in which members vary in their heritable genetic content among individuals and among populations. This property allows the species to adapt over time to changing environmental conditions. (Sometimes the term is also used to describe genetic differences between species.)

- **Individual Quota (IQ)**

Under an Individual Quota (IQ) management system, the available catch (quota for a particular stock) or portion of the available catch is divided among individual fishermen, fishing units or fishing enterprises before the fishing season. Each individual, unit or enterprise is assigned a fixed share of the quota assigned to the fleet, either as a specific quantity or as a percentage of the quota. This is done for one year or for a longer period. An Individual Transferable Quota (ITQ) is transferable if the quota can be temporarily or permanently leased or traded to another licence holder. IQ management generally applies to vessels under 65 feet. See also enterprise allocation.

- **Integrated management (IM)**

Integrated management is an ecosystem-based approach that aims to ensure the sustainable development of coastal and marine resources. It is a planning process in which interested parties, stakeholders and regulators reach general agreement on the best mix of conservation, sustainable resource use and economic development for coastal and marine areas. Goals to be achieved through an IM process in Canada include conservation, sustainable use and economic diversification.

- **Interest group**

Any group of like-minded people or stakeholders who have a collective interest or stake in the fishery.

- **Licence holder**

The holder of any species licence that permits fishing.

- **Limited entry**

The mechanism by which DFO controls the number of licence holders who participate in any given fishery.

- **Quota**

The proportion of the total allowable catch (TAC) that a group or individual is permitted to take from a stock during a set period of time. See also total allowable catch (TAC).

- **Recreational fisherman**

A recreational fisherman participates in a fishery limited to use of certain gear types (usually rod and reel), where fish can be either released or used for personal consumption (not sold). "Recreational fisherman" also applies to people who participate in the non-Aboriginal subsistence or food fishery.

- **Regional Advisory Process (RAP)**

A program in which scientists and stakeholders meet to discuss and peer-review scientific results and analyses on the status of fish stocks and their environment.

- **Resource user**

Any user of fisheries resources or habitat. Resource users are sometimes divided into "consumptive" and "non-consumptive" categories, to distinguish those who harvest marine resources from those who use them in other ways (such as whale watching or ecotourism).

- **Stakeholder**

Any person, group or agency that has a direct interest in the fisheries.

- **Stewardship**

The care, supervision or management of something, especially the careful and responsible management of something entrusted to one's care.

- **Stock**

A population of one species found in a particular area. A "stock" is the basic unit for fisheries management; all of the individuals in a stock should have similar growth and migration patterns.

- **Stock assessment (process)**

The process of determining the status (abundance, distribution, age structure, etc.) of a particular stock in relation to exploitation. See also Regional Advisory Process (RAP).

- **Sustainable development or sustainability**

Development that meets the needs of the present generations without compromising the ability of future generations to meet their own needs. This implies a specific commitment to the management of coastal regions and resources in an environmentally responsible manner that defines and acknowledges risk.

- **Total allowable catch (TAC)**

The total amount allowed to be caught from a particular stock in a particular period of time. Normally, the collective quota for Canadian fishermen is equal to the TAC. However, in some cases, the TAC includes international allocations or foreign quotas and quota designated for other users. See also Quota.

Appendix 2

Roles and Responsibilities
New Fisheries Management Direction

Appendix 2 Roles and Responsibilities — New Fisheries Management Direction

A2.1 Roles in Management of Atlantic Coast Fisheries

In this appendix, we detail the proposed roles and responsibilities of the various participants in fisheries management processes. We also identify some outstanding tasks that need to be tackled to achieve effective conservation and advance the development of the co-management system. These tasks are ones that the Department cannot undertake alone; they require the co-operation of other agencies and stakeholders.

A2.1.1 DFO Fisheries Management

DFO should increasingly focus its programming on conservation and share other fisheries management responsibilities with resource users and other stakeholders.

Some observers have expressed concern that this general policy direction means that DFO would "abandon its responsibilities to manage fisheries" or "privatize the fisheries management system." This is not the objective of the policy review.

The new direction does mean that, in keeping with general policy trends and best practices in governance, and in response to the longstanding demands of many industry groups, DFO should review its role of micro-managing every fishery. There may be some exceptions to this policy, which would likely see more extensive DFO involvement where there is decreased capacity to handle more decision-making responsibility.

In several important areas of fisheries management DFO should facilitate greater involvement by resource users and other stakeholders. DFO should exercise leadership by facilitating and supporting good decision-making by resource users who invest in fishing enterprises and make their livelihoods from the fishery.

Conservation is the key area where DFO will function as lead agency with authority to make and enforce the rules. Within the limits of this authority, DFO should continue to share responsibilities with resource users through participation in stock assessment processes, promotion of responsible harvesting operations, locally developed CHPs, participation in setting conservation standards and reference points, and contributing to the costs of scientific research. The science sector of DFO provides the research and some of the monitoring to support stock assessments and provides stock status reports. It should be emphasized that DFO remains responsible for establishing, and ensuring compliance with, standards for conservation, as well as compliance with the *Fisheries Act* and regulations. DFO will continue to be responsible for working with

Aboriginal groups to manage the fishery in a manner consistent with the provisions of existing treaties and land claims agreements.

With regard to access and allocations, the current legislation requires that the Minister retain final and absolute discretion with respect to the issuance of licences and leases for fishing, and this will not change unless there is a new *Fisheries Act*. Operationally, however, the intent is to shift as much of this responsibility as is feasible and legally possible to decision-making processes at the fleet or local level, to work with industry to develop clear and consistent criteria for access and allocation decisions, and to resort to arm's-length dispute-settlement mechanisms when necessary.

Fisheries management decisions have significant economic and social implications, and some people have argued that DFO must set out clear policies to define its economic and social objectives. The direction suggested in this discussion paper is that DFO should increasingly share responsibility for decisions on economic viability and social benefits with Aboriginal communities, industry groups, other government agencies and other stakeholders, including coastal communities. DFO's role should be to facilitate and support effective planning and decision making by resource users and other stakeholders and, where appropriate, to align its fisheries management activities with the resulting policies and strategies.

DFO's role in pursuing economic and social objectives should be focused on its responsibilities for the overall management of the fishery and for maintaining safe, healthy and productive waters and aquatic ecosystems. To address the wider scope of economic and social objectives, DFO would work with and support other federal and provincial Departments and agencies and the industry itself.

In other areas, such as the professionalization of fish harvesters, the diversification of local fishing economies and management capacity-building in the industry, DFO should co-operate with other stakeholders in promoting these important initiatives, but it would not be a lead agency.

DFO's Conservation and Protection Directorate plays a critical role in fisheries management, and the Department will need to continue working to improve its enforcement services and align them with conservation priorities. The Department will also need to work to increase the participation of resource users in industry-driven enforcement processes. DFO's International Directorate oversees Canada's participation in the *United Nations Fish Agreement*, NAFO and other international obligations. The Department will continue to monitor and protect Canadian sovereignty in the fisheries field and continue to administer the *Fisheries Act*, patrolling Canada's 200-mile limit, enforcing limits and rules established by international bodies such as NAFO, and protecting

the resource and the domestic fishery against "poachers" or non-licence holders, and protecting public health in shellfish harvesting.

In summary, the orderly and sustainable management of the Atlantic fisheries should be accomplished through a widening spectrum of policy and decision-making arrangements. DFO should focus more on its core mandate for sustainable management of the fishery. And the Department should work in collaboration with resource users, provinces and other government agencies to ensure resource conservation, develop orderly management and promote shared stewardship.

A2.1.2 Other DFO Functions

DFO's Small Craft Harbours Division provides services for fisheries management at the local level. There is a continuing need to integrate planning for harbours and wharves with other developments in the fishery and to support stakeholder management of harbour facilities.

DFO is the lead federal government agency for aquaculture, and as such will strive to provide long-term policy regulation and a stable environment for the Canadian aquaculture industry, working in collaboration with other federal Departments and agencies, and provinces.

The Canadian Hydrographic Service provides support in the form of hydrographic charts. The Canadian Coast Guard (CCG) provides fishermen with programs and services related to icebreaking, aids to navigation, pollution response, communications, and search and rescue. CCG facilitates marine commerce and safety in close collaboration with other stakeholders, particularly Transport Canada, which has specific legislative and regulatory responsibilities for fishing vessel safety. CCG also has responsibility for the protection of navigable waters. The Department's oceans sector will play an increasingly important role in encouraging the fishing industry and other users of the marine environment to work together.

The following sections elaborate the roles and responsibilities of other major participants in fisheries management.

A2.1.3 Other Federal Departments and Agencies

Responsibilities of other Departments include labour market adjustment programs for those wishing to leave the fishery (including training and support to allow for adjustment out of the fishery) and training for those in the fishery. Human Resources Development Canada (HRDC) is responsible for social bridging mechanisms such as Employment Insurance. The Atlantic Canada Opportunities Agency and Canada Economic Development have responsibility for community development and for helping fishery-dependent communities diversify their economic base. Other federal agencies will continue to promote fish and aquaculture products nationally and internationally, conduct international trade negotiations on fish and fish products, and provide for inspection services for seafood and seafood products.

DFO has a continuing role in providing advice to other Departments to ensure that federal government policies and programs complement DFO's conservation and other fisheries management priorities.

A2.1.4 Other Governments

All levels of government will be expected to support DFO's conservation objective. Provincial and territorial governments will continue to be responsible for setting operating and quality standards for the processing, handling and marketing of fish and fish products, and enacting legislation to enable professionalization. Provincial and territorial governments are expected to work with DFO to ensure that fish processors accurately record all fish landed in their plants. This information enables DFO to understand catches and evaluate fishery performance and stock status.

In September 1999, federal, provincial and territorial governments signed the Agreement on Interjurisdictional Cooperation with respect to fisheries and aquaculture. The agreement commits all governments to a common set of principles and commits them to work together to maintain ecologically sustainable fisheries resources and habitat and to develop ecologically sustainable and economically viable fisheries and aquaculture industries.

Responsibility for aquaculture planning, site leasing (with the exception of Prince Edward Island), aquaculture training and education, and collection of aquaculture statistics all have implications for fisheries management, but these are primarily provincial responsibilities, as is the promotion of fish and aquaculture products.

Municipalities and local governments do not have a direct role in the fisheries management process, although they are affected by fishery management decisions. They do have a role in many issues that relate to the management of fisheries, including land use and zoning decisions (environmental effects of development), processing (location and support infrastructure of plants), and local economic and social policy development.

A2.1.5 Aboriginal Fisheries

DFO manages fisheries in a way that is consistent with the constitutional protection afforded Aboriginal and treaty rights. Once the Department determines that it is acceptable to harvest a given stock or species, Aboriginal rights to fish for food, social and ceremonial purposes take precedence over other uses of the resource. Moreover, the Department is expected to manage the fisheries in a manner consistent with the provisions of existing treaties and land claims agreements.

This document envisages the development of broad principles that are meaningful to both Aboriginal and non-Aboriginal fisheries. Although other processes will be used to address increased Aboriginal involvement in the fisheries and Aboriginal rights to harvest the resource, it is recognized that the principles of shared decision making will be especially relevant in Aboriginal fisheries. In fact, many Aboriginal groups have already expressed a strong interest in fisheries management

decision making. It will be important that Aboriginal groups participate in the process and share responsibility for a sustainable fishery. This goal will require supporting and developing the expertise in Aboriginal groups to take on the added responsibilities. This broad approach to shared stewardship, along with the specific implementation strategies will be developed with Aboriginal groups.

For now, DFO will continue to work with Aboriginal communities through the AFS and other mechanisms to establish, among other things, an appropriate regulatory framework for management of the Aboriginal fishery. The activities currently carried out by Aboriginal communities under the AFS (including catch monitoring, enforcement, habitat assessment and monitoring, habitat enhancement, and other community-based surveys and assessment projects) will continue.

A2.1.6 Commercial Industry

To realize the objectives of orderly management and shared stewardship, DFO would like to see increasing participation by the commercial industry in the fisheries management decision-making process. The onus should be on the industry to develop its management capabilities to take on delegated authority, but governments have a responsibility to develop appropriate mechanisms to involve others in the fisheries management decision-making process.

The Department's vision is to have the fishing industry continue to support sustainable use of the resource through fisheries advisory processes and the continuing development of the co-management approach. Eventually, this should lead to the fishing industry being responsible for the design and implementation of their own fishing plans consistent with DFO guidelines on conservation and respectful of the effects of management decisions on other resource users. In future, resource users could establish accountable fishing regimes, including the monitoring of the fishery, through compliance protocols with DFO.

In the longer term, the commercial industry would find itself establishing goals and developing performance measurement systems for the management of fisheries, as well as establishing means to ensure marine safety and working with the provinces and territory on occupational health and safety issues, consistent with the professionalization of the industry. Resource users could take the lead in achieving a sustainable balance between harvesting capacity, resources and revenues, consistent with the conservation objective.

The commercial industry should continue to find innovative ways to contribute to fisheries science initiatives and data collection. At a minimum, it is expected that all fishermen will report landings by fishing location accurately and promptly. This is critical for enabling an accurate assessment of stock abundance. Industry groups will be expected to take the lead in endorsing and implementing the *Canadian Code of Conduct for Responsible Fishing Operations*. Development and use of selective

fishing gear and measures to protect juvenile fish and to minimize the catch of non-targeted species should also be priorities for industry involvement in co-management processes.

A2.1.7 Aquaculturists, Recreational Fishermen and Other Resource Users

All users of fish resources are required to support conservation and sustainability objectives. Aquaculturists and recreational fishermen must be part of fisheries management decision making. Like the commercial fishing industry, these groups are also responsible for resource stewardship. Exercising this responsibility might include such activities as developing codes of conduct, implementing more stringent methods for monitoring their operations, and participating in fisheries advisory committees and the development of IFMPs, joint project agreements and CHPs.

All resource users should promote responsible fishing practices to support the sustainable use of the resource. The onus on the recreational fisherman would be to ensure that all fish are legally landed and properly reported. The same holds for the aquaculture site operators, who would be expected to ensure that their operations meet all federal and provincial regulations.

A2.1.8 Other Interests

Other groups have an interest in the ocean and its resources including environmental interests, community activists, ecotourism operators, recreational boaters, and the oil and gas industry. These groups should have a role to play in decisions involving the oceans, but their involvement will probably be issue-specific, and the nature of the issue in question will largely determine the forum or process in which they participate. Such users would also be expected to act responsibly to ensure that their activities do not have a negative effect on the environment or on others with an interest in the ocean.

A2.2 Collaborative Initiatives

This section looks at seven areas of activity that are critical to the achievement of DFO's objectives for conservation, shared stewardship and orderly management, but that do not fall squarely into the Department's sphere of authority. To pursue these policy priorities, there is a need for DFO to work with other government Departments and agencies, other levels of government, and industry and other users to develop comprehensive policy responses to complex problems.

A2.2.1 Professional-ization of Fish Harvesters

Industry groups have taken the lead in promoting professionalization throughout the country. HRDC is the lead federal agency responsible for promoting the professionalization of fish harvesters through the National Sector Council program. To date, two provinces (Quebec and Newfoundland) have created legislative mechanisms for the development of apprenticeship and formal certification systems.

While the initiative belongs to the National Sector Council and HRDC, DFO will continue to promote professionalization by working with the certification boards to harmonize licensing policies and other regulatory mechanisms with new certification standards in the industry.

There are also strong links between professionalization, education and training, marine safety, and the promotion of responsible fish harvesting practices. Professionalizing fish harvesters is vital to building management capacity in the industry so that co-management can be made to work at all levels. It is also an important building block for achieving a shared conservation ethic.

A2.2.2 Development and Recognition of Legitimate Professional Industry Organizations

Legislation and regulation for professional organizations are areas of provincial jurisdiction, although opinions differ regarding federally regulated industries.

The continuing evolution of fisheries co-management systems requires that all resource users be represented by well-established organizations that are accountable to the people they represent. If co-management is to be effective and credible, the industry must be capable of taking on substantial new responsibilities.

DFO should work with the provinces, resource users and industry to encourage new legislation and regulations where needed; it should also set out consistent standards and rules for determining which industry representatives can participate in fisheries management processes.

A2.2.3 Development of Aboriginal Commercial Fisheries

The *Constitution Act* and federal statutes give DFO jurisdiction over the orderly management of fisheries. DFO will be actively involved in developing policy and regulation for the participation of Aboriginal communities in commercial fisheries. It is widely recognized that the successful development of these fisheries requires interventions (such as building capacity within Aboriginal communities to take on management responsibilities) that go beyond the scope of DFO's statutory mandate.

Aboriginal communities will also need to build their capacity to manage local fishing activities and enterprises. It is important that DFO be actively involved in the process to share information and to help build effective communication among stakeholders in all sectors.

A2.2.4 Economic Diversification

The *Oceans Act* recognizes that the oceans and their resources offer significant opportunities for economic diversification and the generation of wealth for the benefit of all Canadians and in particular for coastal Canadians. The expansion of aquaculture, recreational fishing and ecotourism offer opportunities to diversify fishing enterprises and to expand economic opportunities in coastal communities.

DFO does not have a mandate or substantive expertise and resources for economic diversification; its role is to provide access to the resource. Industry participants and other users need to work with provincial governments and other federal Departments (notably the Atlantic Canada Opportunities Agency and Canada Economic Development for Quebec Regions) to develop and implement economic development and diversification programs.

DFO can work with other government Departments and regional economic development agencies and assist industry in identifying sustainable fishing opportunities and bringing them to market by establishing exploratory fisheries, conducting scientific analyses on potential new stocks and the impact of new fisheries, and supporting the development of selective harvesting methods. DFO can also build working relationships in international trade and R&D, and with relevant provincial government agencies, academic institutions and industry groups.

A2.2.5 Regional Economic Development and Community Adjustment

Other federal agencies and Departments, other levels of government, and industry and community stakeholders have primary responsibility for regional economic development and community adjustment and must take the lead in these areas. DFO will support these agencies and stakeholders in carrying out their roles.

DFO has unique responsibilities for conservation, sustainability and orderly management of fisheries. DFO can actively co-operate with federal Departments and agencies and other levels of government and with other stakeholders to address issues that are clearly linked to those aspects of the Department's core mandate.

A2.2.6 Building Management Expertise

DFO should take leadership in helping build the necessary ability among industry groups to share management responsibilities for the fishery. This role will take the form of sharing expertise and working with HRDC and industry to identify fisheries management needs and develop courses and other training. It will not involve the funding of training programs and other initiatives.

HRDC and provincial and territorial governments can make important contributions to management capacity building through legislative supports for effective industry organization and by means of training and leadership development initiatives. Industry organizations need access to specialized tools, knowledge and information to guide them in taking the legal and organizational steps needed to become full participants in co-management processes.

ATLANTIC FISHING ZONES